

RESTATED

AMENDED

AGREEMENT OF LEASE

between

BPC DEVELOPMENT CORPORATION,

as Landlord

and

BATTERY PARK CITY AUTHORITY,

as Tenant

Dated June 10, 1980

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THIS RESTATED AMENDED LEASE made as of the ^{10th} day of June, 1980 between BPC DEVELOPMENT CORPORATION ("Landlord"), a subsidiary of New York State Urban Development Corporation ("UDC"), a corporate governmental agency of the State of New York constituting a political subdivision and public benefit corporation, and BATTERY PARK CITY AUTHORITY ("Tenant"), a public benefit corporation of the State of New York.

WHEREAS, Tenant has been duly created pursuant to the Battery Park City Authority Act being Chapter 343 of Laws of 1968 of the State of New York, as amended (the "Act"), as a body corporate and politic constituting a public benefit corporation, for the purpose of leasing, undertaking and financing the improvement and development of certain real property located in the City, County and State of New York, within the area bounded by the bulkhead and pierhead lines of the Hudson River, the southerly line of Reade Street extended to the said pierhead line as now constituted, the lands of Battery Park and the southerly line of Battery Place, all in accordance with provisions of the Act; and

WHEREAS, The City of New York (the "City") and Tenant entered into a Lease, dated as of November 24, 1969, as amended by Amendment of Lease, dated October 19, 1971, by Second Amendment of Lease, dated June 18, 1974, by Third Amendment of Lease, dated October 24, 1974, by Fourth Amendment of Lease, dated October 24, 1974, and by Fifth Amendment of Lease, dated September 10, 1979, pursuant to which the City leased to Tenant certain premises more particularly described therein; and

WHEREAS, as of November 8, 1979, the Governor of the State of New York, the Mayor of the City and the President and Chief Executive Officer of UDC and Tenant executed a Memorandum of Understanding; and

WHEREAS, said Memorandum was approved by the Board of Estimate of the City by resolution adopted on January 10, 1980; and

WHEREAS, pursuant to the Eminent Domain Proceedings Law, UDC, per orders of the Supreme Court, New York County, each dated June 10, 1980, acquired in condemnation all of the right, title and interest of the City in and to said premises, subject to said lease; and

WHEREAS, by deed, dated June 10, 1980, UDC conveyed said premises to Landlord; and

WHEREAS, by Sixth Amendment of Lease, dated June 10, 1980, Landlord and Tenant further modified said lease; and

WHEREAS, Landlord and Tenant mutually desire to restate said lease, as amended, in its entirety, and make certain additional amendments thereto, it being agreed that this Restated Amended Lease shall supersede said lease as heretofore amended.

NOW, THEREFORE, the parties hereto, in consideration of the mutual agreements herein contained, hereby restate the said lease, as amended, in its entirety upon the foregoing terms and upon the agreements, terms, covenants and conditions hereinafter set forth:

W I T N E S S E T H :

ARTICLE I

Definitions

SECTION 1.01. For all purposes of this Lease, unless the context shall otherwise require, the following words (in their singular or plural form) and the following phrases shall have the following meanings:

(a) "Aggregate Exemption," as set forth in Section 4.02(d) hereof.

(b) "Basic Rent," as set forth in Section 4.01 hereof.

(c) "Basic Sublease," a sublease of an entire Parcel (hereinafter defined) made by Tenant to a Developer (hereinafter defined).

(d) "Bonds," any bonds, notes or other obligations issued by Tenant pursuant to the Resolution (hereinafter defined).

(e) "Certificate of Occupancy," either a certificate of occupancy issued by the Department of Buildings of the City pursuant to Section 1804 of the

New York City Charter or a "certificate of completion" issued by UDC or other similar certificate issued by a department or agency of the City.

(f) "City Rent Fund," as set forth in Section 24.04 hereof.

(g) "Civic Facilities," those portions of the Project Area (hereinafter defined) to be developed with Improvements (hereinafter defined) designed for municipal uses and services including but not limited to schools, police stations, health centers, fire houses, libraries, cultural and recreational facilities, public open areas, streets, sidewalks, sewers, water lines, hydrants, street lighting, signal boxes, other utilities and other similar uses, substantially as provided in the Master Development Plan (hereinafter defined).

(h) "Commercial Tax Equivalent," a pro rata portion of the Tax Equivalent (hereinafter defined) for any Parcel improved primarily with Subsidized Housing (which pro rata portion shall be a fraction, the numerator of which shall be the square footage of any retail space located in any such building for which a temporary or permanent Certificate of Occupancy has been issued and the denominator of which shall be the total square footage of such building) less the exemption from such pro rata portion of the Tax Equivalent which would be made available to the Developer (hereinafter defined) of the relevant Parcel pursuant to subsection (d) or (e) of Section 4.02 of this Lease.

(i) "Condemnation Proceeds," as set forth in Section 14.02 hereof.

(j) "Constructive Total Taking," as set forth in Section 14.01 hereof.

(k) "Debt Service," all payments of principal and/or interest on Bonds as and when the same become due, and all payments as and when due into any sinking, reserve or other fund required by an Indenture (hereinafter defined) for the payment, purchase, redemption, retirement or security of any Bonds.

(l) "Developer," the tenant, its successors

and assigns, under a Basic Sublease.

(m) "Dwelling Unit," as defined by the Zoning Resolution of the City (Chapter 2, as revised 4/24/69).

(n) "Event of Default," as set forth in Section 15.01 hereof.

(o) "Expiration Date," as set forth in Section 2.01 hereof.

(p) "Full Insurable Value," as set forth in Section 6.01 hereof.

(q) "Impositions," as set forth in Section 5.01 hereof.

(r) "Improvements," any buildings, structures or betterments hereafter erected on the Project Area.

(s) "Indebtedness," as set forth in Section 24.03 hereof.

(t) "Indenture," an indenture entered into between Tenant and a Trustee (hereinafter defined) securing any Bonds, or a resolution authorizing such Bonds constituting part of the contract with the holders of Bonds, or both or any combination thereof.

(u) "Institution," a savings bank, a savings and loan association, a commercial bank or trust company (whether acting individually or in a fiduciary capacity), an insurance company, a real estate investment trust sponsored by any other Institution, an educational institution or a state, municipal, or similar employees' welfare, benefit, pension or retirement fund or system, provided the same shall be subject to the jurisdiction of the Courts of the State of New York in any action and to the supervision of the Controller of the Currency of the United States of America or of the Insurance Department or the Banking Department or the Comptroller of the State of New York, or of the Board of Regents of the University of the State of New York, or of the Comptroller of the City and any federal, state or municipal agency or any 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 maintenance of Improvements or any combination of Institutions.

(v) "Institutional Leasehold Mortgage" and "Institutional Leasehold Mortgagee," respectively, any mortgage constituting a lien upon a Basic Sublease and the leasehold estate thereby created, held by an Institution and the holder of an Institutional Leasehold Mortgage.

(w) "Lease Commencement Date," as set forth in Section 2.01 hereof.

(x) "Master Development Plan," the plan hereto annexed as Schedule A and made a part hereof, as superseded and modified by the Large Scale Development Plan annexed hereto as Schedule B, as said Master Development Plan may be further modified pursuant to the provisions of Section 3.03 of Article III hereof.

(y) "Mortgage," shall include an Indenture of Mortgage and/or Deed of Trust securing indebtedness held by an Institution.

(z) "Office - Commercial Area," that portion of the Project Area which is developed for office or commercial purposes, substantially as provided in the Master Development Plan.

(aa) "Parcel," a specific portion of the Project Area described by metes and bounds or by such other means as shall identify the same with certainty and which shall constitute the subject matter of a demise under a Basic Sublease and the Improvements, if any, thereon, designed for residential and/or commercial use including accessory facilities, exclusive, however, of any portion thereof devoted to water, sewer or other utilities, streets and other Civic Facilities which are dedicated to and operated by the City.

(bb) "Port Authority Agreement," as set forth in Section 2.01 hereof.

(cc) "Project," the planning, development,

financing and construction of residential, commercial, civic and other facilities and improvements, including, without limitation, the relocation of all occupants of the Project Area, the cost of condemnation, the demolition and removal of all existing buildings and improvements thereon, bulkheading and the creating of land fill or platforming, all as specified in Section 3.01 of Article III of this Lease.

(dd) "Project Area," the premises demised and leased to Tenant pursuant to Section 2.01 of Article II hereof.

(ee) "Pro-Rata Portion," a fraction, the numerator of which shall be the number of dwelling units covered by a temporary Certificate or Certificates of Occupancy or by permanent Certificates of Occupancy thereafter issued for any building or buildings on any Parcel and the denominator of which shall be the total number of dwelling units to be contained in such building or buildings on such Parcel.

(ff) "Reappraisal Date or Dates," as set forth in Section 4.02(b) hereof.

(gg) "Rent Commencement Date," as set forth in Section 4.02(a) hereof.

(hh) "Resolution," the General Bond Resolution of Tenant, adopted May 5, 1972.

(ii) "Series Resolution," the Series Resolution of Tenant, adopted May 5, 1972.

(jj) "Settlement Agreement," as set forth in Section 24.01 hereof.

(kk) "Shelter Rent Tax Equivalent," an amount equal to ten per centum (10%) of (i) the total rents received from the occupants of the dwelling units in any individual building less (ii) the cost of providing to said occupants electricity, gas, heat and other utilities.

(ll) "Subsidized Housing," dwelling units aided or intended to be aided by one or more federal, state or municipal programs designed to provide low or

middle-income housing, excluding, however, all such dwelling units which are subject to full real property taxes or full real property tax-equivalency payments. Neither Section 421 of the Real Property Tax Law, nor any successor to said Section which is not limited to low or middle-income housing, shall be considered a state or municipal program designed to provide low or middle-income housing.

(mm) "Tax Equivalent," the product obtained by multiplying (i) the total assessed value of a Parcel (or a portion thereof) with the Improvements thereon for the fiscal year of the City or the portions of each fiscal year falling within each twelve-month period calculated from the anniversary of the rent commencement under the Basic Sublease of the relevant Parcel and each succeeding twelve-month period during the term thereof by (ii) the tax rate applicable to real property situated in the Borough of Manhattan for each such fiscal year or years; for any such fiscal year or portion thereof in which the City shall fail to determine such assessed value, the same shall be determined by appraisal in the manner provided for in Article XVII hereof, commenced at the request of Tenant.

(nn) "Treated," as set forth in Section 3.05 hereof.

(oo) "Trustee," the corporate or other trustee under an Indenture (and any duly constituted representative of such Trustee).

Whenever an officer or agency of any governmental unit is referred to herein, such reference shall include his or its nominees or successors discharging his or its present duties.

ARTICLE II

Demised Property and Lease Term

SECTION 2.01 Landlord, for and in consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of Tenant, its successors and assigns, to be paid, kept and performed, has demised and

leased and by these presents does demise and lease unto Tenant, and Tenant does take and hire, upon and subject to the covenants and agreements hereinafter expressed, the following premises, together with all buildings and improvements now or hereafter erected thereon:

ALL that certain parcel of land lying and being in the City, County and State of New York described as follows:

BEGINNING at a point in the United States Bulkhead Line approved by the Secretary of War July 31, 1941, which line is also the westerly line of Marginal Street, Wharf or Place, where the same is intersected by the northeasterly corner of Lot #10, Block 130 on the Tax Maps for the City of New York, Borough of Manhattan, said point of beginning having a coordinate of north 6768.908 west 11167.761; running thence

1. south 71° 05' 20" west, along the northerly line of said Lot #10, 975.36 feet to a point in the United States Pierhead Line approved by the Secretary of War July 31, 1941. Thence southward along said United States Pierhead Line, the following courses and distances:
2. south 21° 01' 53" east, 2845.36 feet; thence
3. south 18° 14' 10" east, 1913.88 feet; thence
4. south 39° 08' 49" east, 300.08 feet to the intersection of the above described United States Pierhead Line with the United States Pierhead Line approved by the Secretary of War 1936; running thence
5. south 61° 08' 00" east, along said last-mentioned United States Pierhead Line, 147.04 feet; thence
6. north 77° 35' 20" east, 231.35 feet; thence
7. north 12° 24' 40" west, 33.92 feet; thence
8. north 54° 49' 00" east, 171.52 feet to a

point in the United States Bulkhead Line;
thence

9. north 12° 24' 40" west, along the United States Bulkhead Line approved by the Secretary of War July 31, 1941, 264.69 feet, thence northward along the said United States Bulkhead Line approved by the Secretary of War July 31, 1941, which line is also the westerly line of Marginal Street, Wharf or Place, the following courses and distances:
10. north 12° 26' 10" west, 518.56 feet; thence
11. north 12° 14' 40" west, 24.60 feet; thence
12. north 12° 23' 50" west, 670.02 feet; thence
13. north 12° 27' 48" west, 43.78 feet; thence
14. north 12° 19' 30" west, 308.98 feet; thence
15. north 12° 49' 20" west, 30.29 feet; thence
16. north 12° 26' 10" west, 117.35 feet; thence
17. north 12° 49' 00" west, 54.54 feet; thence
18. north 12° 19' 00" west, 160.79 feet; thence
19. north 11° 56' 14" west, 51.60 feet; thence
20. north 13° 48' 10" west, 104.47 feet; thence
21. north 16° 41' 08" west, 50.95 feet; thence
22. north 16° 57' 30" west, 209.98 feet; thence
23. north 16° 52' 39" west, 93.66 feet; thence
24. north 16° 49' 40" west, 196.84 feet; thence
25. north 16° 42' 43" west, 86.89 feet; thence
26. north 18° 36' 20" west, 75.17 feet; thence

27. north 19° 12' 20" west, 63.63 feet; thence
28. north 18° 59' 34" west, 59.03 feet; thence
29. north 18° 49' 40" west, 187.30 feet; thence
30. north 18° 34' 07" west, 59.49 feet; thence
31. north 18° 56' 00" west, 212.36 feet; thence
32. north 18° 49' 55" west, 67.32 feet; thence
33. north 18° 47' 10" west, 187.86 feet; thence
34. north 18° 21' 20" west, 69.61 feet; thence
35. north 18° 50' 14" west, 165.43 feet; thence
36. north 18° 38' 13" west, 69.46 feet; thence
37. north 18° 42' 43" west, 445.45 feet; thence
38. north 19° 10' 32" west, 69.63 feet; thence
39. north 18° 36' 00" west, 33.07 feet; thence
40. north 18° 25' 30" west, 64.49 feet; thence
41. north 18° 50' 35" west, 69.39 feet; thence
42. north 19° 00' 53" west, 64.89 feet; thence
43. north 18° 40' 46" west, 155.79 feet to the point or place of BEGINNING.

The area contained within the lines described above is 4,222,219 square feet. The bearings and coordinates used herein refer to the system used for the Borough Survey, Borough President's Office, Manhattan.

TOGETHER with all appurtenances and all necessary franchises, rights and easements in, through, over and under public streets, and in, through, over and under private property or in front thereof to the extent the same are acquired by Landlord at its own cost and expense, for bridges

and connections thereof and all necessary easements for ingress and egress for pedestrians and vehicles and for utilities and other purposes.

SUBJECT TO (a) such terms and conditions as may be imposed by the Federal Government and to such rights, obligations and interests as the Federal Government has or may have, (b) the provisions of an Agreement, dated June 6, 1967, as supplemented by Agreement, dated June 21, 1967, between the City and the Port of New York Authority (renamed "The Port Authority of New York and New Jersey"), approved by resolution adopted by the Board of Estimate (Cal. No. 1-A) on June 22, 1967 and as further supplemented by Agreement, dated June 18, 1970, among the City, the Port of New York Authority and Tenant (collectively, the "Port Authority Agreement") in so far as such provisions affect the Project Area, and (c) the rights of the Port Authority of New York and New Jersey with respect to the north and south tubes of the Port Authority Trans-Hudson Corporation..

TO HAVE AND TO HOLD the same unto Tenant, its successors and assigns, for the purposes herein set forth for a term of 99 years to commence June 18, 1970 (the "Lease Commencement Date"), and to end at 12:00 o'clock noon on June 18, 2069 (the "Expiration Date") both dates inclusive, unless this Lease shall sooner terminate as hereinafter provided.

ARTICLE III

Construction of Project

SECTION 3.01. Tenant agrees that upon delivery to it of possession of the Project Area or any portion thereof it will on all or such portion commence or cause to be commenced and complete or cause to be completed, without cost to Landlord:

(a) relocation of all tenants and occupants within the Project Area and the demolition and removal of all piers, structures and other buildings and improvements now erected in the Project Area;

(b) relocation and extension of existing public and private utilities, as required from time to time;

(c) relocation and construction of bulkheads and installation of land fill or platforming in the Project Area;

(d) construction, installation and extension on the Project Area of all other site improvements, including but not limited to water, electrical, sewer and other public utilities, streets and other Civic Facilities; and

(e) construction of residential, commercial, civic and other facilities and improvements on the Project Area;

all in substantial accordance with the Master Development Plan.

SECTION 3.02. A. The construction of all Improvements shall be substantially in accordance with the Master Development Plan. Except as provided in the Large Scale Development Plan constituting a portion of the Master Development Plan, Tenant shall not be required to construct any school facilities in excess of 193,000 square feet of space, indoor or outdoor recreational facilities, cultural facilities, police or fire stations or neighborhood facilities, whether or not the same shall be set forth in the Master Development Plan unless the Master Development Plan is amended and such amendment contemplates the construction of such facilities. All Civic Facilities to be dedicated to the City shall be constructed in accordance with the then current requirements of the City for comparable construction in accordance with plans and specifications approved by the departments of the City having jurisdiction, and any such police station, fire station, school or other indoor Civic Facility required by the Master Development Plan, recreational area or facility or public open area which Tenant shall intend so to offer for dedication shall be consented to by the City prior to the construction thereof.

B. Prior to the commencement of any construction project at the Project Area, Tenant shall request the Mayor of the City or the Chairman of the New York City Planning Commission to certify that such construction project is in substantial conformance with the Master Development Plan. Any such request shall be accompanied by all information reasonably required by the Mayor or said Chairman for the

rendering of any such certification. If the Mayor or said Chairman shall not have responded to any such request within ~~thirty (30)~~ ^{thirty (30)} days after submission, the said construction project shall be deemed to be in substantial conformance with the Master Development Plan.

SECTION 3.03. The Master Development Plan may not be amended by Tenant without the consent of Landlord.

SECTION 3.04. A. Landlord and Tenant agree that promptly following the completion and dedication to public use from time to time of the streets and other Civic Facilities in the Project Area, such areas shall be deemed excluded from the demise hereunder upon acceptance thereof by the City. The parties agree to execute and deliver such documents as may be necessary or appropriate to so terminate the demise hereunder.

B. Landlord and Tenant shall cooperate and use their best efforts to cause any street mapping and demapping as may be required by Tenant for satisfactory development and completion of the Project.

SECTION 3.05. At all times during the construction of any Improvements, Tenant will not discriminate against any employee or applicant for employment because of race, color, creed or national origin. Tenant will take affirmative action to ensure that employees and applicants for employment are Treated without regard to their race, color, creed or national origin. 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 on the demised premises, available to employees of Tenant and applicants for employment, notices provided by Landlord setting forth the language of this non-discrimination provision; and

(a) 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;

(b) 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;

(c) 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;

(d) Tenant will include the provisions of this Section in every Basic Sublease, so that such provisions will be binding upon each Developer with respect to construction undertaken by any Developer on the Project Area.

SECTION 3.06. To evidence compliance with the provisions of Section 3.05, 3.07 and 3.08 hereof, Tenant shall furnish such Compliance Reports as may from time to time be required by Landlord, such reports to contain information as to Tenant's practices, policies, programs, employment policies and employment statistics. Such Compliance Reports shall, if Landlord so requests, contain the following additional information:

(a) information as to the practices, policies programs, employment policies and employment statistics of Tenant's Developers; and

(b) 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 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.

SECTION 3.07. With respect to construction of any 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. Tenant will include the requirement of this Section in every Basic Sublease entered into by it with a Developer, so that such requirement will be binding on each Developer.

SECTION 3.08. Tenant represents that

(a) it will employ on the demised premises, wherever possible, residents of the City and residents of poverty areas and wherever possible and practical, at the time Tenant is seeking to hire additional personnel, employ personnel referred to Tenant by the Human Resources Administration of the City; and

(b) it will provide on-the-job training for new employees for trainee level jobs as required by the Landlord.

SECTION 3.09. Fees for services of architects, engineers, accountants, attorneys and other professional consultants paid by Tenant shall be reasonable and no more than generally paid for similar services by agencies of the State of New York.

SECTION 3.10. Salaries of all employees and officers of Tenant shall be reasonable and no more than generally paid for similar services by comparable agencies created by the State of New York.

ARTICLE IV

Basic Rent and Rent Payable under Basic Subleases

SECTION 4.01. A. Tenant shall pay to Landlord a net annual basic rent (the "Basic Rent") of one dollar (\$1.00), payable on January 1 of each year²¹ at the offices of Landlord.

B. Commencing 120 days after the end of the first fiscal year of Tenant and annually thereafter, Tenant also shall pay to Landlord, as additional rent hereunder, all of the rents, issues, profits, revenue and income (determined on a cash basis) derived from the Project Area

for the preceding fiscal year of Tenant in excess of all obligations incurred by Tenant in such fiscal year with respect to the Project Area, including without limitation, (a) Basic Rent, (b) Debt Service, (c) the cost of the maintenance, repair, restoration and reconstruction of all Improvements (including Civic Facilities), (d) reasonable operating and administrative expenses, (e) all amounts provided by Tenant to establish and maintain such reserves as may be required under the Indenture and such other reserves as may be approved by Landlord, (f) all amounts paid over to Tenant by the State of New York and required to be repaid to the State by Tenant pursuant to subdivision 4 of Section 1977-b of the Public Authorities Law, as amended and (g) all other amounts paid over to Tenant by the State of New York. Such additional rent also shall include all condemnation proceeds received by Tenant reduced only by the amounts expended by Tenant for restoration or repair as herein provided and by amounts to which a Developer shall become entitled pursuant to a Basic Sublease.

SECTION 4.02. Each Basic Sublease shall provide for the payment to Tenant of a net annual basic rent which shall not be less than the following amounts with respect to the respective parcels described below:

(a) Parcels improved with Subsidized Housing.

(i) For the period commencing on the first day of the calendar month next succeeding the date of issuance of a temporary Certificate or Certificates of Occupancy for any dwelling units in any individual building on such Parcel (the "Rent Commencement Date") and terminating on the earlier of the date of issuance of a temporary Certificate or Certificates of Occupancy for all of the dwelling units in any individual building, or the date of issuance of a permanent Certificate of Occupancy for the Improvements on such Parcel, an amount equal to the sum of (x) 6% of the product (expressed in dollars) obtained by multiplying \$2,000 by the number of dwelling units covered by such temporary Certificate or Certificates of Occupancy or by Certificates thereafter issued for such building or buildings on such Parcel, plus (y) the Shelter Rent Tax Equivalent and the Commercial Tax Equivalent, if any.

(ii) For the period commencing on the

earlier of the date of issuance of a temporary Certificate or Certificates of Occupancy for all of the dwelling units in any individual building or the date of issuance of a permanent Certificate of Occupancy for the Improvements on such Parcel and terminating on the thirtieth anniversary of the Rent Commencement Date, an amount equal to the sum of (x) 6% of the product (expressed in dollars) obtained by multiplying \$2,000 by the number of dwelling units contained in said Improvements, plus (y) the Shelter Rent Tax Equivalent and the Commercial Tax Equivalent, if any.

(iii) For the period commencing on the thirtieth anniversary of the Rent Commencement Date and terminating on the forty-first anniversary thereof, an amount equal to the sum of (x) 6% of the product (expressed in dollars) obtained by multiplying \$2,000 by the number of dwelling units contained in said Improvements, plus (y) the Tax Equivalent.

(iv) For the period commencing on the forty-first anniversary of the Rent Commencement Date and terminating on the Expiration Date, an amount equal to the sum of (x) 6% of the fair market value of each Parcel (determined from time to time as hereinafter provided), considered as unimproved (except for Tenant's site improvements) and unencumbered by this Lease, plus (y) the Tax Equivalent. The fair market value of each Parcel, unless the same shall be agreed upon by the parties at least twelve months before said forty-first anniversary, and every tenth anniversary thereafter, shall be ascertained and determined by appraisal in the manner provided in Article XVII hereof. Notwithstanding the provisions of clauses (i)(y), (ii)(y), (iii)(y) and (iv)(y) of this paragraph (a), no Tax Equivalent or Shelter Rent Tax Equivalent (as the case may be) shall be payable with respect to any Parcel as long as the Developer of such Parcel is the New York State Housing Finance Agency provided that such Agency has not entered into an agreement to pay annual sums in lieu of taxes to the City as authorized by Section 44(13) of the Private Housing Finance Law.

(v) Notwithstanding any other provisions of this Section 4.02(a), if and as long as a Basic Sublease covering such Parcel is subject to a Mortgage insured, reinsured or held by the Federal

Housing Commissioner or given to the Federal Housing Commissioner in connection with a resale or the demised premises are acquired and held by the Federal Housing Commissioner because of a default under said mortgage, the net annual basic rent shall be not less than the following amounts:

(A) For the period commencing on the Rent Commencement Date and terminating on the earlier of the date of issuance of a temporary Certificate or Certificates of Occupancy for all of the dwelling units in any individual building or the date of issuance of a permanent Certificate of Occupancy for the Improvements on such Parcel, an amount equal to the sum of (x) 6% of the product (expressed in dollars) obtained by multiplying \$2,000 by the number of dwelling units covered by such temporary Certificate or Certificates of Occupancy or by Certificates thereafter issued for such building or buildings on such Parcel, plus (y) the Shelter Rent Tax Equivalent.

(B) For the period commencing on the earlier of the date of issuance of a temporary Certificate or Certificates of Occupancy for all of the dwelling units in any individual building or the date of issuance of a permanent Certificate of Occupancy for the Improvements on such Parcel and terminating on the fortieth anniversary of the Rent Commencement Date, an amount equal to the sum of (x) 6% of the product (expressed in dollars) obtained by multiplying \$2,000 by the number of dwelling units contained in said Improvements, plus (y) the Shelter Rent Tax Equivalent.

(C) For the period commencing on the fortieth anniversary of the Rent Commencement Date and terminating on the fiftieth anniversary of the Rent Commencement Date, an amount equal to the sum of (x) 6% of the product (expressed in dollars) obtained by multiplying \$2,000 by the number of dwelling units contained in said Improvements, plus (y) the Tax Equivalent.

(D) For the period commencing on the fiftieth anniversary of the Rent Commencement Date and terminating on the Expiration Date, an amount equal to the sum of (x) 6% of the fair market

value of each Parcel (determined from time to time as hereinafter provided) considered as unimproved (except for Tenant's site improvements) and unencumbered by this Lease, plus (y) the Tax Equivalent. The fair market value of each Parcel, unless the same shall be agreed upon by the parties at least twelve months before said fiftieth anniversary, and every tenth anniversary thereafter, shall be ascertained and determined by appraisal in the manner provided in Article XVII hereof.

(b) Parcels improved with residential Improvements other than Subsidized Housing.

(i) For the period commencing on the Rent Commencement Date and terminating on the earlier of the date of issuance of a temporary Certificate or Certificates of Occupancy for all of the dwelling units in any individual building or the date of issuance of a permanent Certificate of Occupancy for the Improvements on such Parcel, an amount equal to the sum of (a) a Pro-Rata Portion of 6% of the fair market value of each Parcel (determined from time to time as hereinafter provided) considered as unencumbered by this Lease and as unimproved except for Tenant's site improvements (whether or not installed at such time), plus (b) a Pro Rata Portion of an amount equal to (A) the Tax Equivalent less (B) the amount of exemptions or abatements, if any, that would be available to the Developer of the relevant Parcel under Section 421 of the Real Property Tax Law or under any other law which now or hereafter grants abatement of or exemptions or relief from real estate taxes to an owner of real property in the Borough of Manhattan (or of any successor to any of said laws) if the Developer of such Parcel were the fee owner thereof and would otherwise be entitled to such exemptions or abatements and if the Project Area and Improvements were not exempt from such taxes.

(ii) For the period commencing on the earlier of the date of issuance of a temporary Certificate or Certificates of Occupancy for all of the dwelling units in any individual building or the date of issuance of a permanent Certificate of Occupancy for the Improvements on such Parcel and terminating on the Expiration Date, an amount equal to the sum of (a) 6%

of the fair market value of each Parcel (determined from time to time as hereinafter provided) considered as unencumbered by this Lease and as unimproved except for Tenant's site improvements (whether or not installed at such time), plus (b) an amount equal to (A) the Tax Equivalent less (B) the amount of exemptions or abatements, if any, that would be available to the Developer of the relevant Parcel under Section 421 of the Real Property Tax Law or under any other law which now or hereafter grants abatement of or exemptions or relief from real estate taxes to an owner of real property in the Borough of Manhattan (or of any successor to any of said laws) if the Developer of such Parcel were the fee owner thereof and would otherwise be entitled to such exemptions or abatements and if the Project Area and Improvements were not exempt from such taxes.

For the purposes of this paragraph (b), the fair market value of each Parcel shall be determined as of the date a Basic Sublease covering such Parcel is executed and delivered by Tenant to the Developer under said Basic Sublease by appraisal in the manner provided in Article XVII hereof, commenced at the request of Tenant, unless the parties shall have agreed upon said fair market value prior thereto and shall be redetermined as of the twenty-fifth anniversary and the fortieth anniversary of the Rent Commencement Date and as of each subsequent fifteenth anniversary thereof (said twenty-fifth and fortieth anniversaries and each subsequent fifteenth anniversary being hereinafter referred to as the "Reappraisal Date or Dates") by appraisal in the manner provided in Article XVII hereof, unless at least twelve months before each Reappraisal Date the parties shall have agreed upon said fair market value. Notwithstanding any redetermination of such fair market value on the twenty-fifth anniversary date, unless Tenant shall otherwise determine, the net annual basic rental payable on and after such Reappraisal Date and until the next Reappraisal Date shall not exceed the sum of (x) the net annual basic rental payable in the twelve-month period immediately preceding the Reappraisal Date plus (y) 15% of the net annual basic rental referred to in the preceding clause (x) nor shall the net annual basic rental payable on and after such Reappraisal Date be less than the net annual basic rental referred to in the preceding clause (x) minus the percentage referred to in the preceding clause (y).

(c) Parcels improved with the American Stock Exchange facility

Such amount as Tenant may determine in its sole discretion.

(d) Parcels improved with an aggregate of up to 2,000,000 square feet of rentable area of commercial improvements (in addition to the aforementioned American Stock Exchange facility).

Commencing on the earlier of the date of issuance of a temporary Certificate or Certificates of Occupancy or a permanent Certificate of Occupancy for each of the Improvements on the relevant Parcel, an amount equal to the sum of (i) ground rent in such amount as Tenant may determine in its sole discretion, plus (ii) an amount equal to (x) the Tax Equivalent less (y) a portion of the Aggregate Exemption (hereinafter defined). The Aggregate Exemption shall be made available to the Developer over a ten (10) year period as a credit against the Tax Equivalent. The portion of the Aggregate Exemption to be made available in each year of such ten (10) year period shall be determined by Tenant in its sole discretion. As used in this Section 4.02(d), the term "Aggregate Exemption" shall mean an amount not in excess of 150% of the aggregate amount of the maximum exemptions that may be made available to the Developer of the relevant Parcel under Section 489-ddd(2) of the Real Property Tax Law (as the same was in effect on January 1, 1980) and the regulations issued pursuant thereto, if the Developer of such Parcel were the fee owner thereof and if the Project Area and Improvements were not exempt from such taxes (it being agreed that for the purposes of such Law, the Improvements constructed by the Developer of the relevant Parcel shall be deemed to be designated as "specially needed" pursuant to Section 489-eee thereof).

(e) Parcels improved with commercial Improvements other than those described in paragraphs (c) and (d) of this Section 4.02

Commencing on the earlier of the date of issuance of a temporary Certificate or Certificates of Occupancy or a permanent Certificate of Occupancy for

each of the Improvements on the date of issuance of a permanent Certificate of Occupancy for each of the Improvements on the relevant Parcel, an amount equal to the sum of (i) ground rent in such amount as Tenant may determine in its sole discretion, plus (ii) an amount equal to (x) the Tax Equivalent less (y) at Tenant's option, either (A) an amount determined by the Mayor of the City or (B) an amount determined by the Industrial and Commercial Incentive Board of the City (or successor thereto or its equivalent, if any) in accordance with Sections 489-aaa et seq. of the Real Property Tax Law (as then in effect) and any other law which now or hereafter grants abatement of or exemptions or relief from real estate taxes to an owner of real property in the Borough of Manhattan (or of any successor to any of said laws) as if the Developer of such Parcel were the fee owner thereof and if the Project Area and Improvements were not exempt from such taxes.

SECTION 4.03. The rents, issues, profits, revenue and income (from sale, rental, condemnation or any source whatsoever) derived from the Project Area and any funds borrowed by Tenant shall not be used for any purpose except (i) as contemplated by this Lease, or (ii) with respect to the Project Area.

ARTICLE V

Payment of Charges for Municipal and Public Utilities

SECTION 5.01. Tenant shall cause each Developer to pay all water, sewer rents, rates and charges for public utilities, license and permit fees and other similar governmental charges (collectively, "Impositions") which at any time during the term of this Lease may be assessed, levied, confirmed, imposed upon or become a lien on any Parcel and the Improvements thereon, without in any manner releasing Tenant from the obligations to make such payments.

SECTION 5.02. Any Imposition relating to a fiscal period, a part of which is included within the term of this Lease and a part of which is included in a period of time prior to the date hereof or in a period of time after the expiration of the term of this Lease, shall (whether or not such Imposition shall be assessed, levied, confirmed,

imposed upon or in respect of or become a lien upon the Project Area, or shall become payable prior to or during or after the term of this Lease) be adjusted between Landlord and Tenant so that Tenant shall pay that portion of such Imposition which that part of such fiscal period included within the term of this Lease bears to such fiscal period.

SECTION 5.03. Tenant or any Developer shall have the right to contest the amount or validity, in whole or in part, of any Imposition and of the assessed valuation of any Parcel by appropriate legal proceedings diligently conducted in good faith without any cost to Landlord. The terms upon which any Developer may contest Impositions shall be as set forth in such Developer's Basic Sublease.

ARTICLE VI

Insurance

SECTION 6.01. Tenant shall keep the Civic Facilities (prior to dedication thereof) and shall or shall cause each Developer to keep the Improvements erected on each Parcel demised to such Developer insured for the mutual benefit of Landlord, Tenant and such Developer against:

(a) loss or damage by fire, and such other risks as may be included in the standard form of extended coverage endorsement from time to time available, and war risks, when and to the extent such war risk insurance is generally obtainable from the United States Government or an agency thereof, in amounts sufficient in each case to prevent any insured thereunder from becoming a coinsurer within the terms of the applicable policies, and in any event, in an amount not less than eighty per centum (80%) of the full insurable value of the Improvements;

(b) loss or damage by leakage of sprinkler systems, if any, or by explosion of high pressure steam boiler or pressure vessels, air-conditioning equipment or similar apparatus, if any, installed in the Improvements in such respective amounts as is customarily carried by prudent owners of like buildings and improvements;

(c) loss or damage by such other hazards and in such amounts as is customarily carried by prudent

owners of like buildings and improvements, having regard to the character of the Improvements and the use thereof; and

(d) loss or rental, under a rental value insurance policy covering, to the extent obtainable, risk of loss due to the occurrence of any of the hazards described in this Section 6.01(a) hereof in an amount not less than the aggregate requirements, for a period of twelve (12) months following the occurrence of the insured casualty, of rent and all items of additional rent payable under the relevant Basic Sublease.

The term "Full Insurable Value" shall mean the actual replacement cost of the Improvements (excluding foundation and excavation costs) less physical depreciation and shall be determined at the request of Landlord by an architect, appraiser, appraisal company or one of the insurers under the fire insurance policies but such determination shall not be required to be made more frequently than once every three (3) years.

SECTION 6.02. Tenant covenants to cause each Developer to maintain with respect to each Parcel demised to such Developer under a Basic Sublease comprehensive general liability insurance against claims for personal injury or death and damage to property occurring in or about the Parcel demised by the Basic Sublease with such limits as is customarily carried by prudent owners of like buildings and improvements but not less than the limits provided in Section 6.03 hereof.

SECTION 6.03. Tenant covenants to maintain for the mutual benefit of Landlord, UDC and Tenant comprehensive general liability insurance against claims for personal injury or death and damage to property occurring in or about the Project Area (other than any Parcel or Parcels with respect to which insurance is maintained in accordance with the provisions of Section 6.02 hereof) with limits of not less than \$1,000,000 in respect of personal injury or death to any one person and \$5,000,000 in respect of personal injury or death to any number of persons in any one accident and not less than \$500,000 for damage to property.

SECTION 6.04. In the event any Developer shall fail to keep the Improvements on the Parcel or Parcels

demised to such Developer pursuant to a Basic Sublease insured as provided in Section 6.01 hereof or shall fail to maintain the comprehensive general liability insurance as provided in Section 6.02 hereof, Tenant covenants and agrees to take out and maintain, at its sole cost and expense, insurance of the character and in the amounts required to be kept and maintained pursuant to Sections 6.01 and 6.02 hereof.

SECTION 6.05. During any time when Improvements are in the process of being constructed, reconstructed (or repaired or altered and the cost of such repair and alteration is in excess of \$50,000), Tenant shall provide and keep in force, or cause to be provided and kept in force, at its own cost and expense, the following insurance:

(a) Worker's Compensation insurance covering all persons employed in connection with the construction work and with respect to whom death or bodily injury claims could be asserted against Landlord or Tenant.

(b) Comprehensive general public liability insurance expressly covering the hazards arising from any such construction work for the mutual benefit of Landlord and Tenant, with limits of not less than \$1,000,000 in the event of bodily injury and death to one person and not less than \$5,000,000 in the event of bodily injury and death to any number of persons in any one accident and with limits of not less than \$500,000 for property damage.

SECTION 6.06. All insurance provided for under this Lease shall be effected under valid and enforceable policies issued by insurers of recognized responsibility, licensed to do business in the State of New York and shall be approved by the Institutional Leasehold Mortgagee referred to in the next succeeding sentence, except that the insurer for all insurance required to be carried or paid for by Tenant shall not be approved by said Institutional Leasehold Mortgagee. The original policies provided for under Section 6.01 hereof shall be delivered to the Institutional Leasehold Mortgagee whose Mortgage constitutes a lien on the Improvement or Improvements insured by such policies and certificates and copies of such insurance shall be delivered to Landlord with evidence of the payment of the premiums for such policy. At least twenty (20) days prior to the

expiration date of any policy the original renewal policy for such insurance or other satisfactory evidence thereof shall be delivered by Tenant to the holder of the expiring original policy, and a certificate thereof or other satisfactory evidence thereof shall be delivered as aforesaid, with evidence of payment of the premium for such policy. To the extent obtainable, all such policies shall contain agreements by the insurers that (i) any loss shall be payable to Landlord and Tenant notwithstanding any act or negligence of any other named insured therein which might otherwise result in forfeiture of said insurance, (ii) such policies shall not be cancelled or any material change made except upon ten (10) days' prior written notice to each named insured and loss payee, (iii) the coverage afforded thereby shall not be affected by the performance of any work in or about the Improvements on the Parcel and (iv) the insurers shall waive any right of subrogation to recover the amount of any loss resulting from the negligence of Landlord, Tenant, any Developer and their agents, employees and licensees.

SECTION 6.07. All policies of insurance required herein shall name Landlord, Tenant, UDC and the Developer under the Basic Sublease of the Improvements insured by such policies as the insureds as their respective interests may appear. All policies of the character referred to in Section 6.01 (other than the policy identified in Section 6.01(d)) may also provide for any loss thereunder to be payable to any Institutional Leasehold Mortgagee whose Mortgage constitutes a lien on the Improvements insured by such policies as the respective interests of such holders may appear, pursuant to a standard mortgagee clause or endorsement. The loss, if any, under said policies referred to in said Section 6.01 shall be adjusted with the insurance companies by Tenant or the Developer named in the policies, except that in case the holder of the Institutional Leasehold Mortgage shall require that it participate in, or approve of, such adjustment then no adjustment shall be made with the insurance companies without the participation or prior approval of such holder of the Institutional Leasehold Mortgage.

SECTION 6.08. The loss, if any, under all policies of the character referred to in Section 6.01 hereof shall be payable to Tenant or, to the extent Tenant and/or any Institutional Leasehold Mortgagee shall determine, to the Developer. All policies of the character aforesaid

shall expressly provide that the loss thereunder shall be adjusted and paid as provided in the foregoing Section 6.07 and this Section 6.08.

SECTION 6.09. Any loss paid under any insurance policy of the character referred to in Sections 6.01(a), (b) or (c) hereof shall be held in trust by Tenant, the Developer or the Institutional Leasehold Mortgagee whose Mortgage constitutes a lien on the Basic Sublease in respect of which any such loss is paid and used to pay for the cost of restoring repairing, replacing or rebuilding the Improvements so damaged or destroyed, except that in the event the Institutional Leasehold Mortgagee shall be the New York State Housing Finance Agency, such application of such loss shall be subject to the finding by the New York State Commissioner of Housing and Community Renewal, or if and so long as a Basic Sublease is subject to a mortgage insured, reinsured or held by the Federal Housing Commissioner or given to the Federal Housing Commissioner in connection with a resale or the demised premises are acquired and held by the Federal Housing Commissioner because of a default under said mortgage to a finding by the Federal Housing Commissioner, or their respective duly authorized representatives or such governmental authority as may then have jurisdiction, that such application is feasible.

SECTION 6.10. Nothing in this Article shall prevent Tenant or any Developer from taking out insurance of the kind and in the amount provided for under Sections 6.01, 6.02, and 6.03 hereof under a blanket insurance policy or policies which can cover other Improvements in the Project Area as well as the specific Improvements on a particular Parcel or Parcels; provided, however, that any such policy of blanket insurance of the kind provided for in Section 6.01 (i) shall specify therein, or Tenant shall furnish Landlord and the holder of any Institutional Leasehold Mortgage with a written statement from the insurers under such policies specifying, the amount of the total insurance allocated to the respective Improvement covered thereby which amount shall not be less than the amount required by said Section of this Article to be carried for a specific Improvement on a particular Parcel or Parcels and (ii) shall not contain any clause which would result in the insured thereunder being required to carry insurance with respect to the Improvements covered thereby in an amount less than than any specific percentage of the Full Insurable Value of such Improvements in order to prevent the insured therein named

from becoming a co-insurer of any loss with the insurer under such policy. Tenant covenants to furnish Landlord and to the holder of any Institutional Leasehold Mortgage whose Mortgage constitutes a lien on the Improvements insured by any such policy, within thirty (30) days after the filing thereof with any insurance ratemaking body copies of the schedule or make-up of all improvements affected by any such policy of blanket insurance.

SECTION 6.11 Notwithstanding any other provisions of this Lease, including but not limited to the provisions of this Article VI (Insurance), but subject to the rights of the holders of Bonds issued pursuant to the Resolution and any series resolution adopted pursuant thereto, as heretofore or hereafter amended or supplemented, to have insurance maintained as provided in Sections 6.01 and 6.02 hereof, if and so long as a Basic Sublease is subject to a mortgage insured, reinsured or held by the Federal Housing Commissioner or given to the Federal Housing Commissioner in connection with a resale or the demised premises are acquired and held by the Federal Housing Commissioner because of a default under said mortgage:

(i) insurance policies shall be in an amount, and in such company or companies and in such form, and against such risks and hazards, as shall be approved by the Institutional Leasehold Mortgagee and/or the Federal Housing Commissioner; and

(ii) Tenant shall not take out separate insurance concurrent in form or contributing in the event of loss with that specifically required to be furnished by the Developer to the Institutional Leasehold Mortgagee, but Tenant may at its own expense take out separate insurance which is not concurrent in form or not contributing in the event of loss with that specifically required to be furnished by the Developer.

ARTICLE VII

Covenants against Waste and to Repair

SECTION 7.01. Tenant covenants, at its sole cost and expense, to improve and keep, or cause the Developers to keep, the public open areas and the relevant Parcels (exclusive of public streets and Civic Facilities, but including any parks, indoor or outdoor recreational areas and public

open areas which are not dedicated to the City) clean and in good condition and free of accumulations of dirt, rubbish, snow and ice, and to make, or cause the Developers to make, all repairs (including structural repairs) and replacements necessary to maintain the same and all improvements in a condition appropriate for improvements of similar construction, use and class in the City.

ARTICLE VIII

Compliance with Orders, Ordinances, Etc.

SECTION 8.01. A. Tenant covenants throughout the term of this Lease, at its sole cost and expense, promptly to comply, or to cause the Developers to comply, with all present and future laws and ordinances and the orders, rules, regulations and requirements of all federal, state and municipal governments and appropriate departments, commissions, boards, and officers thereof, and the orders, rules and regulations of the New York Board of Fire Underwriters, or any other body hereafter constituted exercising similar functions, foreseen or unforeseen, ordinary as well as extraordinary, which may be applicable to the Project Area and to obtain, or to cause the Developers to obtain, all licenses and permits required by law in connection with the construction of the Improvements.

B. Notwithstanding the provisions of paragraph A of this Section 8.01, Tenant shall comply, or shall cause the Developers to comply, with the Zoning Resolution of the City, as the same may be amended, with respect to the construction, reconstruction, and alteration of residential Improvements in the Project Area.

C. Notwithstanding the provisions of paragraph A of this Section 8.01, Tenant shall comply, or shall cause the Developers to comply, with the provisions of New York City Local Law No. 5 (1973), as amended, and, in lieu of complying or causing compliance with the State Building Construction Code formulated by the State Building Code Council pursuant to Article 18 of the Executive Law, may elect to comply or cause compliance with the requirements of the New York City Building Code.

SECTION 8.02. Tenant shall have the right to contest by appropriate legal proceedings, in the name of Tenant or Landlord or either of them, as the case may be, without

cost or expense to Landlord, the validity or application of any law, ordinance, order, rule, regulation or requirement of the nature herein referred to, and if compliance therewith pending the prosecution of any such proceeding is legally held in abeyance by the court or agency reviewing the matter, Tenant may postpone compliance therewith until the final determination of any proceedings, provided that all such proceedings shall be prosecuted with reasonable diligence and dispatch, and that Tenant furnishes to Landlord security, reasonably satisfactory to the Landlord, against any loss or injury by reason of such non-compliance or delay therein and prosecutes the contest aforesaid with reasonable diligence. Landlord shall execute and deliver any papers which may be necessary or proper to permit Tenant to contest the validity or application of any such law, ordinance, order, rule regulation or requirement. Nothing contained in this Section 8.02 shall be construed as permitting Tenant to contest the validity of its contractual obligations under subsections B and C of Section 8.01 of this Lease.

ARTICLE IX

Damage to or Destruction of Improvements

SECTION 9.01. Tenant covenants that in case of damage to or destruction of the Improvements, other than streets and other Civic Facilities dedicated to public use pursuant to Section 3.04 of this Lease, by fire or any other cause, similar or dissimilar, insured or uninsured, it will, at its sole cost and expense restore, replace, repair or rebuild, or will cause the Developer under the Basic Sublease of the Improvements damaged or destroyed to restore, replace, repair or rebuild, the Improvements as nearly as possible to the condition, quality and class they were in immediately prior to such damage or destruction, or with such changes or alterations as the Developer, with the prior consent of Tenant, shall elect to make in conformity with the provisions of Article III hereof. Such restoration, repair, replacement or rebuilding shall be commenced promptly and prosecuted with reasonable diligence.

SECTION 9.02. This Lease shall not terminate by reason of damage or destruction, total or partial, to any Improvement or by reason of the consequent untenability, in whole or in part, of any Improvement, and Tenant waives any and all rights under any present or future law to quit

or surrender the Project Area or any part thereof as a consequence of such damage or destruction, and Tenant expressly agrees that its obligations hereunder, including the payment or rentals, charges and other monetary obligations, shall continue as though there were no damage or destruction.

ARTICLE X

Mechanics' Liens

SECTION 10.01. (a) In case any mechanic's lien shall at any time be filed against the Project Area or the Improvements or any part thereof, or if any public improvement lien created or permitted to be created by Tenant shall be filed against any asset of or fund appropriated to Landlord, Tenant, UDC or the State of New York, Tenant shall, within thirty (30) days after notice of the filing thereof, 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 within the aforesaid period, then, in addition to any other right or remedy, Landlord may, but shall not be obligated to, discharge such lien either by paying the amount claimed to be due or by procuring the discharge of such lien by deposit or by bonding proceedings, or in any event Landlord shall be entitled, if Landlord so elects, to compel the prosecution of an action for the foreclosure of such mechanic's or public improvement lien by the lienor and to pay the amount of any judgment in favor of the lienor, with interest, costs and allowances. Any amount so paid by Landlord for any of such purposes, with interest thereon at the rate of six per centum (6%) per annum from the date of any such payment, shall be repaid by Tenant to Landlord on ten (10) days' notice and shall be considered as additional rental hereunder.

(b) Nothing in this Lease 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 or repair with respect to the Project Area or the Improvements, or any part thereof, nor as giving Tenant any right, power or authority to contract or permit the rendering of any services or the furnishing of any materials that would give rise to filing of any lien against the Project Area or the

Improvements or any part thereof or any asset of or fund appropriated to Landlord, Tenant, UDC or the State of New York. Notice is hereby given that Landlord shall not be liable for any work performed or to be performed or any materials furnished or to be furnished for Tenant or any subtenant upon credit, with respect to the Project Area, or the Improvements, and that no mechanic's lien for such work or materials shall attach to the fee interest of Landlord in and to the Project or any asset of or fund appropriated to Landlord, Tenant, UDC or the State of New York.

ARTICLE XI

Lawful Use; Surrender of the Project Area

SECTION 11.01. Tenant shall not use or allow the Project Area or any part thereof to be used or occupied for any unlawful purpose or for any dangerous or noxious trade or business, or in violation of any Certificate of Occupancy affecting the use of the Improvements or in violation of the Master Development Plan.

SECTION 11.02. Tenant shall on the last day of the term hereof or upon any earlier termination of this Lease (other than a termination upon conveyance of the Project Area to the City as hereinafter provided), surrender and deliver up the Project Area and the Improvements unto the possession and use of Landlord in good order, condition and repair, reasonable wear and tear expected, free and clear of all letting and occupancies, and free and clear of all liens and encumbrances other than those, if any, existing at the date hereof, or created by Landlord, without any payment or allowance whatever by Landlord on account of or for any Improvements at the time of the surrender, or for the contents thereof, equipment therein or appurtenances thereto, whether or not the same or any part thereof shall have been constructed by, paid for or purchased by Tenant. Upon such expiration or earlier termination, Tenant shall also deliver to Landlord all leases, files, plans, records, registers, and all other papers and documents.

SECTION 11.03. Any personal property of Tenant or of any subtenant which shall remain on the Project Area after the termination of this Lease and after the removal of Tenant or such subtenant from the Project Area, may, at the option of Landlord, be deemed to have been abandoned by Tenant or such subtenant and either may be retained by

Landlord as its property or be disposed of, without accountability in such manner as Landlord may see it. Landlord shall not be responsible for any loss or damage occurring to any such property owned by Tenant or any subtenant.

SECTION 11.04. The provisions of this Article XI shall survive any termination of this Lease.

ARTICLE XII

Indemnification of Landlord

SECTION 12.01. A. Tenant shall and does hereby indemnify and save harmless Landlord, its agents, officers and employees against and from any and all claims by or on behalf of any person arising from the conduct or management of or from any work or thing whatsoever done in or on the Project Area and will further indemnify and save Landlord, its agents, officers and employees harmless against and from any and all claims arising during the term of this Lease from any condition thereof or arising from any breach or default on the part of Tenant in the performance of any covenant or agreement on the part of Tenant to be performed, pursuant to this Lease, or arising from any negligence of Tenant, or any Developer, or of its or their agents, contractors, servants or employees, or arising from any accident, injury or damage whatsoever caused to any person or property during the term of this Lease in or about the Project Area, and from and against all judgments, costs, expenses and liabilities incurred in or about any such claim or action or proceeding brought therein; and in case any action or proceeding be brought against Landlord, its agents, officers and employees by reason of any such claim, Tenant upon notice from Landlord covenants to resist or defend such action or proceedings in the name of Landlord, at the cost and expense of Tenant, by counsel reasonably satisfactory to Landlord. If Tenant shall so resist or defend any such action to which Landlord is made a party, Landlord shall be entitled to take part in the matter involved, at its election and cost, by counsel of its own choosing, who will serve as co-counsel with the counsel chosen by Tenant, provided that such action by Landlord shall not limit or make void any liability of any insurer of Tenant hereunder in respect to the claim or matter in question.

B. Tenant further agrees to, and does hereby, hold Landlord harmless from any claim relating to Tenant's

breach of or non-compliance with any provision of the Port Authority Agreement and agrees at no cost to Landlord to make such modifications of the Port Authority Agreement as may be mutually satisfactory to Tenant and the Port Authority of New York and New Jersey subject to the approval of Landlord in connection therewith.

ARTICLE XIII

Assignment and Subletting

SECTION 13.01. Neither this Lease nor the leasehold estate created hereby shall be assigned without the consent of Landlord.

SECTION 13.02. Tenant may make Basic Subleases of Parcels to one or more Developers for such term of years and otherwise upon such terms and conditions as are acceptable to Tenant, subject to the provisions of Section 4.02 hereof and to the provisions of this Article XIII.

SECTION 13.03. Each Basic Sublease shall contain provisions to the following effect:

(a) that it is subject to all of the terms and conditions of this Lease; and

(b) that it shall expire prior to the Expiration Date.

SECTION 13.04. Each Basic Sublease of a Parcel shall contain and shall be deemed to contain a provision in form and substance substantially as follows:

"The tenant (Developer) covenants and agrees that if by reason of a default under any underlying lease (including any underlying lease through which the landlord derives its leasehold estate in the demised premises (Parcel)) such underlying lease and the leasehold estate of the landlord in the premises demised hereby is terminated, the tenant will attorn to the then holder of the reversionary interest in the premises demised by this lease and will recognize such holder as the tenant's landlord under this Lease. The tenant agrees

to execute and deliver, at any time and from time to time, upon the request of the landlord or of the lessor under any such underlying lease any instrument which may be necessary or appropriate to evidence such attornment and the tenant hereby appoints the landlord or such lessor under such underlying lease the attorney-in-fact, irrevocable, of the tenant to execute and deliver for and on behalf of the tenant any such instrument. The tenant further waives the provision of any statute or rule of law now or hereafter in effect which may give or purport to give the tenant any right of election to terminate this lease or to surrender possession of the premises demised hereby in the event any proceeding is brought by the lessor under any underlying lease to terminate the same, and agrees that this Lease shall not be affected in any way whatsoever by any such proceeding."

SECTION 13.05. Landlord hereby agrees, for the benefit of such Developer under each Basic Sublease and for the benefit of each Institutional Leasehold Mortgagee of the relevant Basic Sublease and for the benefit of the Trustee and the holders of the Bonds (which Bonds are secured by an assignment of the rents under all Basic Subleases) that upon the termination of this Lease pursuant to any of the provisions of Article XV hereof or by reason of any other matter or thing Landlord will recognize the Developer under such Basic Sublease or any transferee or assignee of the Developer's interest therein becoming such through foreclosure, or by assignment of such Basic Sublease in lieu of foreclosure, of an Institutional Leasehold Mortgage as the direct tenant of Landlord under such Basic Sublease, provided, however, that at the time of the termination of this Lease (a) no default exists under the Basic Sublease which at such time would then permit the landlord thereunder to terminate the same or to exercise any summary remedy provided for therein and (b) the Developer or such transferee or assignee shall deliver to Landlord an instrument confirming the agreement of such Developer or transferee or assignee to attorn to Landlord and to recognize Landlord as such Developer's or transferee's or assignee's landlord under such Basic Sublease, as the case may be.

SECTION 13.06. Tenant shall not enter into a Basic Sublease permitting the construction of any trading floor or headquarter facilities for the New York Stock Exchange or with respect to any Improvement for the Federal Reserve Bank of New York, without the prior written consent of the Mayor of the City.

SECTION 13.07. Prior to entering into any Basic Sublease, Tenant shall submit same to Landlord, and, if Landlord so elects, Tenant shall not enter into such Basic Sublease unless such Basic Sublease shall have been approved by the Public Authorities Control Board of the State of New York.

ARTICLE XIV

Condemnation

SECTION 14.01. If, at any time during the term of this Lease, there shall be a total taking or a Constructive Total Taking (hereinafter defined) of the fee title to any Parcel in the Project Area or to Tenant's leasehold interest therein in condemnation proceedings or by any right of eminent domain, this Lease shall terminate as to the Parcel so taken on the date of such taking. For the purposes of this Article, the term "Constructive Total Taking" shall include a taking of such scope that the untaken portion of the Parcel is insufficient to permit the restoration of the Improvements thereon so as to constitute a complete, rentable building or buildings capable of producing a proportionately fair and reasonable net annual income. The average net annual income produced by the Improvements on the Parcel or Parcels during the five (5) year period immediately preceding such taking shall be deemed to constitute a fair and reasonable net annual income for the purpose of determining what is a proportionately fair and reasonable net annual income.

SECTION 14.02. In the event of any such total taking or Constructive Total Taking and the termination of this Lease as to the Parcel so taken, the award or awards for said taking (the "Condemnation Proceeds"), shall be distributed as follows:

(a) The Trustee shall first be entitled to receive, and Tenant and Landlord hereby assign to the Trustee, such portion of the Condemnation Proceeds,

with interest thereon, as shall equal the unpaid principal indebtedness evidenced by the Bonds with interest at the rate specified therein to the date of payment, provided that the Trustee shall not be entitled to receive an amount in excess of the value of the land, and the award therefor, plus the value of any Civic Facilities.

(b) The Institutional Leasehold Mortgagee whose Mortgage constitutes a lien on the Parcel or Parcels so taken shall then be entitled to receive and Landlord and Tenant hereby assign to such holder such portion of the balance of the Condemnation Proceeds, with interest thereon, as shall equal the unpaid principal indebtedness secured by the Institutional Leasehold Mortgage with interest thereon at the rate specified therein to the date of payment.

(c) Tenant and the Developer, as their interests may be established pursuant to a Basic Sublease covering the Parcel or Parcels so taken, shall then be entitled to receive and Landlord hereby assigns to Tenant and the Developer the balance, if any, of the Condemnation Proceeds.

SECTION 14.03. In the event of a taking less than a Constructive Total Taking, or of a taking of any portion or portions of the Project Area other than Parcels, this Lease shall not terminate or be affected in any way, except as provided in Section 14.05 hereof, and Tenant shall first be entitled to receive, subject to the rights of the Trustee, that portion of the Condemnation Proceeds with interest thereon as shall equal the fair market value of the part of the Parcel or such portion or portions of the Project Area so taken, unimproved (except for Tenant's site improvements) and unencumbered by this Lease, plus the fair market value of any Civic Facilities constructed or installed on the part of the Parcel or of such portion or portions of the Project Area so taken at the expense of Tenant. That part of the Condemnation Proceeds with interest thereon as shall be awarded for restoration of the Improvements on the portion of the Parcel or such portion or portions of the Project Area so taken plus so much thereof as shall represent compensation for the value of the portion of the Improvements so taken, shall be payable, in trust, to Tenant or the holder of the Institutional Leasehold Mortgage, if any, constituting a lien on the Basic Sublease affected by

such taking for application by Tenant or such holder to the cost of restoring, repairing, replacing or rebuilding the Improvements, except that in the event the Institutional Leasehold Mortgagee shall be the New York State Housing Finance Agency, such application of the Condemnation Proceeds shall be subject to the finding by the New York State Commissioner of Housing and Community Renewal, or if and so long as a Basic Sublease is subject to a mortgage insured, reinsured or held by the Federal Housing Commissioner or given to the Federal Housing Commissioner in connection with a resale or the demised premises are acquired and held by the Federal Housing Commissioner because of a default under said mortgage, to a finding by the Federal Housing Commissioner, or their respective duly authorized representatives or such governmental authority as may then have jurisdiction, that such application is feasible, any balance of the Condemnation Proceeds to be paid to Tenant and the Developer under a Basic Sublease of the portion of the Parcel so taken as their interests may be established pursuant to such Basic Sublease.

SECTION 14.04. In the event of a taking less than a Constructive Total Taking, Tenant shall proceed, or shall cause the Developer under the Basic Sublease of the Parcel affected by such taking to proceed, with due diligence to restore, repair, replace or rebuild the remaining part of the Improvements to substantially their former condition or with such changes or alterations as Tenant may make or may permit such Developer to make, in conformity with Article III hereof, as may be necessary or desirable.

SECTION 14.05. In the event of a taking of the character referred to in Section 14.03 hereof, this Lease shall terminate as to the portion of the Parcel or such portion or portions of the Project Area so taken.

SECTION 14.06. If, at any time during the term of this Lease, the whole or any part of the demised premises, or of Tenant's leasehold estate under this Lease shall be taken in condemnation proceedings or by any right of eminent domain for temporary use or occupancy, the foregoing provisions of this Article shall not apply and Tenant shall continue to pay, in the manner and at the times herein specified, the full amounts of the Basic Rent and all additional rent and other charges payable by Tenant hereunder, and except only to the extent that Tenant may be prevented from so doing pursuant to the terms of the order of the condemning

authority, Tenant shall perform and observe all of the other terms, covenants, conditions and obligations hereof upon the part of Tenant to be performed and observed, as though such taking had not occurred. In the event of any such taking of the character referred to in this Section 14.06, Tenant shall be entitled to receive the entire amount of the Condemnation Proceeds made for such taking, whether paid by way of damages, rent or otherwise. Tenant covenants that, upon the expiration date of any such period of temporary use or occupancy during the term of this Lease, it will, at its sole cost and expense, restore the Improvements, as nearly as may be reasonably possible.

SECTION 14.07. In the event of a negotiated sale of all or a portion of the demised premises in lieu of condemnation, the proceeds shall be distributed as provided in cases of condemnation, but the approval of the Federal Housing Commissioner and the Institutional Leasehold Mortgagee shall be required as to the amount and division of the payment to be received.

SECTION 14.08. Tenant, the Trustee, any Developer and any Institutional Leasehold Mortgagee shall be entitled to file a claim in any condemnation or similar proceeding.

ARTICLE XV

Default Provisions

SECTION 15.01. In case one or more of the following events (each, an "Event of Default") shall have occurred and shall not have been remedied:

(a) default shall be made in the payment of the Basic Rent or any item of additional rent and such default shall continue for a period of thirty (30) days after written notice thereof, specifying such default, shall have been given to Tenant, each Developer and the Trustee; or

(b) Tenant shall fail to perform, or cause to be performed, any term, covenant or condition of this Lease on the part of Tenant to be performed other than the defaults provided for in the foregoing clause (a) hereof, and any such default shall continue for a period of ninety (90) days after written notice thereof specifying such default shall have been given to (i)

Tenant, (ii) the Developer (the breach of or non-performance under whose Basic Sublease has caused such a failure), (iii) the Institutional Leasehold Mortgagee of such Basic Sublease and (iv) the Trustee; provided, however, in the case of a default which cannot with the exercise of due diligence be remedied by by Tenant or by such Developer within a period of ninety (90) days, if Tenant or such Developer or the Institutional Leasehold Mortgagee of such Developer's Basic Sublease shall proceed as promptly as may reasonably be possible after the service of such notice and with all due diligence to remedy the default and thereafter to prosecute the remedying thereof with all due diligence, the period of time after the giving of such notice within which to remedy the default shall be extended for such additional period as may be necessary to remedy the same with due diligence;

Landlord may, subject to the rights of the Trustee as set forth herein, at its option give to Tenant and to each Developer of each Basic Sublease, each Institutional Leasehold Mortgagee of each Basic Sublease and the Trustee a notice of election to end the term of this Lease at the expiration of thirty (30) days from the date of service of such notice by Landlord and, if said notice is given, then at the expiration of said thirty (30) days, the term of this Lease and all right, title and interest of Tenant hereunder shall expire as fully and completely as if that day were the Expiration Date, and Tenant will then quit and surrender the Project Area and the Improvements to Landlord, subject, however, to the Basic Subleases which Landlord, pursuant to Section 13.05 of Article XIII, has agreed to recognize.

SECTION 15.02. Upon the termination of this Lease as provided in Section 15.01 hereof or by operation of law, Landlord shall have the right to enter upon and take possession of the Project Area by summary proceedings or other legal proceedings, or by employing necessary force, or otherwise, as Landlord shall deem advisable, without being liable in damages therefor, and take and have again the Project Area and every part thereof, free, clear and discharged of this Lease, and of all the rights of Tenant hereunder, or Landlord may, at its option, take such other action or proceeding in the premises as it shall deem advisable.

SECTION 15.03. Landlord covenants and agrees that

it shall not exercise its rights under Section 15.01 hereof to serve notice of election to end the term of this Lease upon the occurrence of an Event of Default unless and until Landlord shall deliver to the Trustee,

(a) monies to be duly deposited with the Trustee in an amount sufficient to make full and complete redemption of the Bonds then outstanding in accordance with their terms and the opinion of its Counsel expressed in writing and delivered to the Trustee simultaneously with such monies, stating that Landlord has power and is duly authorized to expend monies for such purpose, has duly appropriated such monies therefor and has power and is duly authorized to make such deposit; or

(b) an instrument in writing duly executed on behalf of Landlord by its chief fiscal officer and its chief executive officer, whereby Landlord assumes full payment of the Debt Service on the Bonds then outstanding and the opinion of its Counsel expressed in writing and delivered to the Trustee simultaneously with such instrument, stating that Landlord has power and is duly authorized to assume such payment; or

(c) an instrument in writing duly executed by such officers, whereby Landlord covenants to recognize and continue the pledge to the bond-holders under the terms of the Indenture to apply to the payment of the Debt Service on the Bonds then outstanding the gross income, revenues and receipts (from sale, rental, condemnation or any source whatsoever) received and derived from the Project Area and undertakes the performance of all the duties and obligations relating to management, operation, maintenance and repair of the Project Area which Tenant was required to perform (i) as lessee under the lease prior to termination thereof or (ii) under the Indenture, and to the extent that monies are available under such Indenture, undertakes to complete or cause to be completed construction of the Improvements which Tenant was obligated to complete or cause to be completed pursuant to Article III of the Lease and the opinion of its Counsel expressed in writing and delivered to the Trustee simultaneously with such instrument, stating that Landlord has power and is duly authorized to so pledge and covenant and assume such performance and undertaking.

SECTION 15.04. No re-entry by Landlord shall be deemed an acceptance of a surrender of this Lease.

SECTION 15.05. Landlord agrees, for the benefit of the Trustee, the holders of the Bonds to be issued by Tenant pursuant to the Indenture and the State of New York that Landlord's right, title and interest in and to rent and other charges payable under each Basic Sublease which Landlord shall recognize pursuant to the provisions of the foregoing Section 13.05 shall be subject and subordinate to the rights of the Trustee, said Bondholders and the State of New York in and to the said rent and other charges pledged as security for the payment of the Bonds under and pursuant to the Indenture until payment in full of the indebtedness evidenced by the Bonds, together with all accrued and unpaid interest thereon and all other sums payable by Tenant under the Indenture to the Bondholders and repayment to the State of New York of all amounts paid over to Tenant which constitute and are accounted for as advances by the State of New York to Tenant pursuant to the provisions of Section 1977-b of the Public Authorities Law, as amended.

ARTICLE XVI

Notices

SECTION 16.01. Any notice, demand, approval or request which, under the terms of this Lease or under any statute, must or may be given or made by the parties hereto, must be in writing, and must be given or made by either personal delivery or by mail to BPC Development Corporation, c/o New York State Urban Development Corporation, 1515 Broadway, New York, New York 10036 Attention: Office of General Counsel and to Tenant at 40 Rector Street, New York, New York 10006. Any notice given hereunder shall be deemed delivered when deposited in a United States general or branch post office, enclosed in a registered or certified prepaid wrapper, addressed as hereinbefore provided.

SECTION 16.02. If requested in writing by the Trustee, any Developer or the holder of any Institutional Leasehold Mortgage (which request shall be made in the manner hereinabove provided as between the parties hereto and shall specify an address to which notices or demands shall be given or made) any such notice or demand shall also be given or made in the manner herein specified and contemporaneously to the Trustee, such Developer and such holder.

Either party, and the Trustee, Developer and the holder of the Institutional Leasehold Mortgage who shall have made the request hereinabove referred to, may designate by notice in writing given in the manner herein specified, a new or other address to which such notice or demand shall thereafter be so given or made. Landlord shall not be entitled to take any action or exercise any remedy under Article XV hereof predicated on the giving of any notice of default to Tenant unless like notice of default shall have been given contemporaneously therewith to the Trustee, each Developer and each holder of an Institutional Leasehold Mortgage who shall have made a request for notices and demands as above provided. The Trustee, any such Developer and holder of an Institutional Leasehold Mortgage shall have and be subrogated to any and all rights of Tenant with respect to the remedying of any default hereunder by Tenant. Tenant irrevocably authorizes and directs Landlord to accept, and Landlord agrees to accept, performance by the Trustee, any such Developer or the holder of an Institutional Leasehold Mortgage of any of the terms, covenants or provisions on Tenant's part to be performed hereunder with the same force and effect as though performed by Tenant.

ARTICLE XVII

Appraisal

SECTION 17.01. Whenever under the terms of this Lease it becomes necessary to appraise the Project Area or any part thereof, the same shall be appraised as follows; each party shall appoint a competent and impartial appraiser who shall have appraised property as such in the vicinity of the Project Area for a period of at least five (5) years before the date of his appointment. In case either party shall fail to appoint an appraiser for a period of thirty (30) days after written notice from the other party to make such appointment, then the appraiser appointed by the party not in default hereunder shall appoint a second competent and impartial appraiser for and on behalf of the party so failing to make an appointment. In the case of the failure of the appraisers so appointed to agree upon the fair market value of the Project Area or part thereof constituting the subject matter of the appraisal, said appraisers shall appoint a third party who shall be a similar competent and impartial appraiser. In the case of the failure of such appraisers to agree upon a third appraiser then such third appraiser shall be appointed by the Presiding Justice of the

Appellate Division of the Supreme Court of the State of New York for the First Department. The appraisers so appointed shall proceed promptly to determine by majority vote the fair market value of the Project Area or portion thereof as to which it has become necessary to make an appraisal and shall furnish each party with a signed copy thereof.

SECTION 17.02. The fees of the appraisers and the expenses incident to the appraisal proceedings shall be borne equally by the parties. The fees and expenses of counsel for the respective parties and of witnesses shall be paid by the respective party engaging such counsel and calling such witnesses.

ARTICLE XVIII

Cumulative Remedies -- No Waiver -- No Oral Change

SECTION 18.01. The specified remedies to which Landlord may resort under the terms of this Lease are cumulative and are not intended to be exclusive of any other remedies or means of redress to which Landlord may be lawfully entitled in case of any breach or threatened breach by Tenant of any provision of this Lease. The failure of Landlord to insist in any one or more cases upon the strict performance of any of the covenants of this Lease on the part of Tenant to be performed or to exercise any option herein contained shall not be construed as a waiver or relinquishment for the future of such covenant or option. A receipt by Landlord of the Basic Rent with knowledge of the breach of any covenant shall not be deemed a waiver of such breach and no waiver by Landlord of any provision of this Lease shall be deemed to have been made unless expressed in writing. In addition to the other remedies in this Lease provided, Landlord shall be entitled to the restraint by injunction of the violation, or attempted or threatened violation, of any of the covenants, conditions or provisions of this Lease.

SECTION 18.02. Landlord reserves the right to waive, in whole or in part, any of the obligations or covenants on the part of Tenant to be performed or to cause to be performed hereunder, other than those contained in Section 4.02 hereof.

ARTICLE XIX

Quiet Enjoyment

SECTION 19.01. Landlord covenants and agrees that Tenant, upon paying the Basic Rent, additional rent and all other charges herein provided for and upon observing and keeping all of the covenants, agreements and provisions of this Lease on its part to be observed and kept, shall lawfully and quietly hold, occupy and enjoy the Project Area during the term of this Lease or the earlier termination of this Lease without hindrance or molestation by or from anyone, subject to the terms hereof.

ARTICLE XX

Certificate of Landlord

SECTION 20.01. A. Landlord agrees at any time and from time to time upon not less than thirty (30) days' prior written notice by Tenant, that it shall execute, acknowledge and deliver to Tenant a statement in writing certifying that this Lease is unmodified and in full force and effect (or if there shall have been modifications that the Lease is in full force and effect as modified and stating the modifications) and the dates to which the Basic Rent has been paid, and stating whether or not to the best knowledge of the signer of such statement Tenant is in default in keeping, observing or performing any term, covenant, agreement, provisions, condition or limitation contained in this Lease and, if Tenant shall be in default, specifying each such default of which the signer may have knowledge, it being intended that any such statement delivered pursuant to this Section may be relied upon by any prospective Developer or any Institutional Leasehold Mortgagee, but reliance on such certificate may not extend to any default as to which the signer shall have had no actual knowledge.

B. Tenant agrees at any time and from time to time upon not less than thirty (30) days' prior written notice by Landlord, that it shall execute, acknowledge and deliver to Landlord a statement in writing certifying that this Lease is unmodified and in full force and effect (or if there shall have been modifications that the Lease is in full force and effect as modified and stating the modifications) and the dates to which the Basic Rent has been paid, and stating whether or not to the best knowledge of the

signer of such statement Landlord is in default in keeping, observing or performing any term, covenant, agreement, provision, condition or limitation contained in this Lease and, if Landlord shall be in default, specifying each such default of which the signer may have knowledge.

ARTICLE XXI

Inspection and Audit of Books and Records

SECTION 21.01. Tenant shall keep proper books of record and account in which full and correct entries shall be made of all financial transactions, revenues, losses, charges and expenses paid or incurred by Landlord in respect to its operations and the carrying out of the Project, all in accordance with sound accounting practice. Landlord shall have the right to inspect and audit such accounts annually and at such other reasonable times as it may in its sole discretion deem advisable or necessary. Tenant shall cooperate with Landlord in maintaining its books and accounts in such manner as to permit audits.

ARTICLE XXII

Invalidity of Particular Provisions

SECTION 22.01. If this Lease or any term or provision thereof or the application thereof to any person or circumstance, 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 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 XXIII

Tenant's Employees' Retirement Plan

SECTION 23.01. Tenant represents that it is a participating employer of the New York State Employee's Retirement System and its covenants and agrees that during the term of this Lease its officers and employees will be limited to the benefits as prescribed by the provisions of the New York State Retirement and Social Security Law, as may be amended from time to time.

ARTICLE XXIV

Miscellaneous

SECTION 24.01. All amendments of this Lease shall be consistent with the terms of the Memorandum of Understanding, dated as of November 8, 1979, among the Governor of the State of New York, the Mayor of the City and the President and Chief Executive Officer of New York State Urban Development Corporation and Tenant and with the terms of the Settlement Agreement (the "Settlement Agreement"), dated as of June 6, 1980, between the City and UDC. Tenant shall notify the Mayor of the City of any proposed amendment of this Lease, and for a period not in excess of sixty (60) days after such notice shall have been given (and before any such amendment is made), Landlord and Tenant shall consult with the Mayor in respect thereof.

SECTION 24.02. Landlord hereby waives any and all rights and privileges of Landlord which are set forth in the Resolution and the Series Resolution, including without limitation those of approval, consent, satisfaction, inspection, requirement, substitution, representation, selection and receipt with respect to any matters set forth therein. Landlord shall aid in the preparation of, and support, any other bond resolution or supplemental resolution necessary to effect the foregoing waiver.

SECTION 24.03. A. Tenant understands that Landlord's predecessor in interest, UDC, pursuant to the terms of the Settlement Agreement (which Agreement is binding upon Landlord) has agreed that the City shall have the right to reacquire, for one dollar (\$1.00), and Tenant further understands that Landlord will reconvey to the City, all of its right, title and interest in and to the Project Area, subject to the then status of title, including any and all then existing leases, subleases, tenancies, subtenancies, occupancies, franchises, licenses and permits, upon sixty (60) days' prior written notice of election to exercise said right given by the City within eighteen (18) months after the receipt of notice by the City of the date upon which all Bonds and other indebtedness incurred by Tenant together with any other amounts which may be due under the Resolution and all advances made by the State of New York to Tenant (collectively, the "Indebtedness") shall have been repaid in full. Tenant shall give such notice to the City not later than one (1) year after the Indebtedness is so repaid, which

notice shall contain a copy of paragraph 7 of the Settlement Agreement.

B. Upon such reconveyance, unless as hereinafter provided the City shall request that Tenant assign all of its right, title and interest in and to this Lease to the City, this Lease shall terminate with the same force and effect as though the date of such reconveyance were the Expiration Date. The City shall have the right to request that Tenant assign all of its right, title and interest in and to this Lease to the City by written notice to Tenant given simultaneously with the notice given to Landlord as provided in Paragraph A of this Section 24.03; in such event, Tenant shall, simultaneously with such reconveyance by Landlord, assign all of its right, title and interest to this Lease to the City. Upon such reconveyance by Landlord, Tenant also shall transfer to the City all of the net assets of Tenant, i.e. those remaining after satisfaction of, or provision for, its contract obligations and contingent and other liabilities.

C. Tenant agrees that the City shall have the right, subject to the relevant provisions of the Resolution and Series Resolution, to repay the Indebtedness by (a) depositing monies with the Trustee in an amount sufficient to make full and complete redemption of all Bonds then outstanding in accordance with their terms, together with an opinion of the Corporation Counsel of the City stating that the City has the power and is duly authorized to expend monies for such purpose, has duly appropriated such monies therefor and has the power and is duly authorized to make such deposit, and (b) delivering to the Comptroller of the State of New York an amount sufficient to make full reimbursement of all advances made by the State of New York to Tenant in connection with the Project, together with an opinion of the Corporation Counsel of the City stating that the City has the power and is duly authorized to expend monies for such purpose, has duly appropriated such monies therefor and has the power and is duly authorized to make such deposit.

D. The City is hereby made a third party beneficiary of the covenants set forth in this Section 24.03.

SECTION 24.04. Landlord understands that Landlord's predecessor in interest, UDC, pursuant to the terms of the Settlement Agreement (which Settlement

Agreement is binding upon Landlord), assigned to Tenant all of UDC's right, title and interest in and to, and its right to receive payments from, the City Rent Fund (as that term is defined in the Resolution). Accordingly, Landlord, in confirmation of such assignment, hereby assigns to Tenant all of its right, title and interest in and to, and its right to receive payments from, the City Rent Fund.

SECTION 24.05. In carrying out the development of the Project, Tenant shall implement affirmative action requirements which may be adopted by Landlord from time to time.

SECTION 24.06. There shall be no merger of this Lease or the leasehold estate created hereby with the fee estate in the Project Area or any part thereof by reason of the same entity 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 Project Area.

SECTION 24.07. Except as specifically set forth herein, this Lease and the terms and conditions hereof shall enure only to the benefit of the parties hereto and shall be enforceable only by them, their successors and assigns.

IN WITNESS WHEREOF, the parties hereto have duly executed this Restated Amended Agreement of Lease as of the day and year first above written.

BPC DEVELOPMENT CORPORATION, Landlord

By: James M. Smith

BATTERY PARK CITY AUTHORITY, Tenant

By: Richard A. Kahan
Richard A. Kahan, President
and Chief Executive Officer

State of New York)
 : ss.:
County of New York)

On the 6th day of June 1980, before me personally came Richard A. Kahan, to me known, who, being by me duly sworn, did depose and say that he resides at 37 East 74th Street, New York, New York; that he is the President and Chief Executive Officer of Battery Park City Authority, the Authority described in and which executed the foregoing instrument; that he knows the seal of said Authority; that the seal affixed to said instrument is such Authority's seal; that it was so affixed by order of the members of said Authority, and that he signed his name thereto by like order.

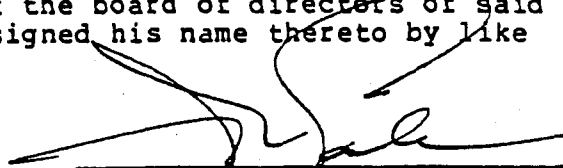


Notary Public

BARDEN N. GALE
Notary Public, State of New York
No. 31-465132
Qualified in New York County
Commission Expires March 30, 1980

State of New York)
 : ss.:
County of New York)

On the 6th day of June 1980, before me personally came James R. Hunter to me known, who, being by me duly sworn, did depose and say that he resides at No. 366 Broadway New York New York; that he is the Vice President of BPC Development Corporation, the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the board of directors of said corporation, and that he signed his name thereto by like order.



Notary Public

BARDEN N. GALE
Notary Public, State of New York
No. 31-465132
Qualified in New York County
Commission Expires March 30, 1980

SCHEDULE A

MASTER DEVELOPMENT PLAN BATTERY PARK CITY

Part I-EXPLANATION AND DESCRIPTION OF MASTER DEVELOPMENT PLAN

This Master Development plan concerns itself with approximately 91 acres of land under water of the Hudson River, extending from the existing bulkhead line to the United States Pierhead line from Battery Park to Reade Street. This initial project area may be expanded in the future to include air rights over the West Side Highway (Miller Expressway) at such time as funds are available to finance the cost of depression of the highway below grade. A survey of the project area is attached as Exhibit I. The first phase of this development encompasses the 91 acres of land fill. The existing substandard and obsolete piers, docks, wharves and related structures, (for existing conditions see Exhibit II), will be demolished and the lands under water will be filled and new bulkheads continued. All required public facilities will be installed such as streets, sewer and water lines, utilities, school, police and fire stations, health facilities and public open space.

The Master Development Plan provides for two major use areas. The Residential Area consists of approximately 79 acres and will contain approximately 14,100 apartments. Not more than 30% of these shall be luxury housing units. The remaining units shall be middle-income housing units of which 20% shall be reserved for persons of low income.

In addition, the Residential Area (also known as Zone B) will contain community shopping, service and civic facilities.

The Office-Commercial Area (also known as Zone A) will contain a maximum of six million square feet of net rentable office space, plus retail and parking facilities, and may also contain residential uses up to a maximum total floor area ratio of 9.

In addition to normal regulation of land use, the uses in Battery Park City will also be controlled at varying levels. A new bulkhead will be constructed and land fill or platforming will be provided. A public esplanade or walkway will be provided along the River's edge for the entire length of the land fill or platformed area. Services and retail facilities related to the water-front will be permitted along this esplanade.

The Master Plan anticipates, but is not dependent on, future development of air rights over the West Side Highway. The air rights development would occur after the present highway is depressed and would permit continuation of Battery Park City's open vistas to the very edge of Lower Manhattan. Such a development would be subject of a supplemental agreement between Landlord and Tenant. Provision will be made either in initial construction, or by planned expansion of utilities, shopping and civic facilities, to furnish all necessary community support to tenants in the future air rights development.

The northern boundary of the Project Area presently runs approximately along the north face of Pier 20 of the North River. Necessary state legislation has been promulgated (a) enabling Tenant to extend such northern boundary so as to include within the Project Area all of Pier 21, the land under water covered by such Pier and the land under to the northerly line of Lot 10 in Block 130 and (b) empowering Landlord to lease such additional area to Tenant. Such extension is subject to a supplemental agreement between Landlord and Tenant. A survey of such additional area is attached as Exhibit III.

PART II-PLANNING CRITERIA

Vehicular Circulation

The system of vehicular circulation shall meet the following planning criteria:

1. Adequate access shall be provided to and from the local service streets abutting West Street and to and from inland locations via east-west streets.
2. There shall be adequate provision of traffic flow by means of a system of collector-distributor and local streets providing access to parking facilities and loading and stopping points for buses and other service vehicles. Temporary roadways may be constructed at appropriate locations determined solely by Tenant, but the permanent location of each roadway shall be subject to the prior approval of the New York City Planning Commission and the New York City Transportation Administration.

3. Except where absolutely necessary, all streets shall be located below elevation +30 with maximum separation of vehicular from pedestrian traffic.
4. Adequate provision shall be made for driver orientation along major arteries and collector streets by natural lighting or other means.
5. An adequate system of emergency routes shall be provided for access of emergency vehicles to plazas, greens, interior courts, the water-front esplanade and other places, all as determined by considerations of public safety.
6. A schematic drawing showing basic requirements for the internal street system is attached as Exhibit IV. The details and requirements of the roadway system shown in Zone A on Exhibit IV shall be subject to further study. Any modification of such roadway system in Zone A shall be subject to the prior approval of the New York City Planning Commission and the New York City Transportation Administration. A drawing showing the first stage of permanent street construction and a temporary roadway is attached as Exhibit IVA.

Pedestrian Circulation

The System of pedestrian circulation shall meet the following planning criteria:

1. Adequate provision shall be made for pedestrian access between the inner core of Lower Manhattan and major pedestrian destinations in Battery Park City, including the waterfront, office buildings in the Office-Commercial Area and the enclosed mall.
2. The pedestrian street system shall be planned with ample capacity to accommodate major movements to and from subway stations by the most direct feasible routes.
3. There shall be a maximum feasible grade separation of pedestrian and vehicular circulation.

Bowling Green Subway Station Connection

Upon completion of the first office building, a major pedestrian access shall be provided in a below street level right-of-way 40 feet in width along the southerly side of Battery Place, connecting directly with the enclosed pedestrian space in the Office-Commercial Area. Such right-of-way shall accommodate an enclosed concourse and a mechanical transportation system to move people from the enclosed pedestrian space in the Office-Commercial Area to Bowling Green station of the IRT Lexington Avenue subway line. In addition, at street level, a right-of-way approximately 50 feet in width shall be provided along the southerly side of Battery Place as far east as the westerly side of State Street, so as to provide a direct pedestrian connection between the enclosed pedestrian space in the Office-Commercial Area and the street level pedestrian circulation system outside Battery Park City. As an alternative, Tenant may provide a pedestrian bridge over West Street and Marginal Street connecting the enclosed pedestrian space in the Office-Commercial Area with the easterly side of West Street and extending, at or above street level, through or in front of private property along the northerly side of Battery Place to connect with the above-mentioned Bowling Green subway station, if Landlord and/or the City acquires and grants to Tenant the necessary rights, franchises and easements therefor.

Parking Facilities

Parking facilities, both accessory and public, shall be suitably integrated with pedestrian and vehicular circulation systems.

Parking facilities shall be so located and of such size and design as not to create or contribute to serious traffic congestion.

Required accessory parking for residential uses may be pooled in common parking facilities conveniently accessible from the developments to which they are accessory.

Utilities

Provision shall be made, in general conformity with the Utility Plan attached as Exhibit V, for rights of way or

easement areas selected by Tenant and approved by the Director of City Planning in which public utilities shall be installed. Water lines, sanitary sewers and storm sewers shall be installed or be caused to be installed by Tenant in accordance with the provisions of the Lease between Landlord and Tenant in rights of way or easement areas selected by Tenant and approved by the Director of City Planning.

Upon recommendation by the Chairman of the City Interdepartmental Committee on Public Utilities, or his successor in function, that one or more means of supplying heat, domestic hot water or air conditioning may be used for buildings in the Project Area, the New York City Planning Commission shall approve such means and such means shall be incorporated in the development plans for Battery Park City. It is understood that Landlord's goals with respect to use of energy are to encourage:

1. The least wasteful use of natural resources.
2. The best possible City environment.
3. The utility system which places the least burden upon future tenants of Battery Park City and upon Landlord in form of economic return under the Lease between Landlord and Tenant.

Civic Facilities

Civic facilities, as described hereinbelow if and to the extent required by Landlord to meet population needs of the Project, shall be located, planned and built in accordance with New York City standards of service in a manner that will result in maximum convenience for those served and compatibility with surrounding uses.

<u>Facility</u>	<u>Neighborhood Areas I & II (Sq.Ft.)</u>	<u>Neighborhood Area III (Sq.Ft.)</u>	<u>Total (Sq.Ft.)</u>
1. Schools	35,000	295,000	330,000
2. Health Facilities	Not required	50,000	50,000
3. Indoor Recreational Facilities	Constructed in Neighborhood Area III	173,000	173,000
4. Cultural Facilities	Not required	24,000	24,000
5. Police Station	Not required	25,000	25,000
6. Fire Station	Not required	25,000	25,000
7. Neighborhood Facilities	24,000	24,000	24,000
Total Indoor Civic Facilities	59,000	616,000	675,000
8. Outdoor Recreation Facilities	78,000	112,000	190,000

The first school in the Project shall be located substantially as shown on the school location plan attached as Exhibit VI.

Development

No building shall be built for occupancy solely by persons of low income. The housing units for persons of low income shall be contained within buildings erected for occupancy by middle-income families.

The average room size in middle-income housing units shall be consistent with the standards of the New York State Division of Housing and Community Renewal or its successor.

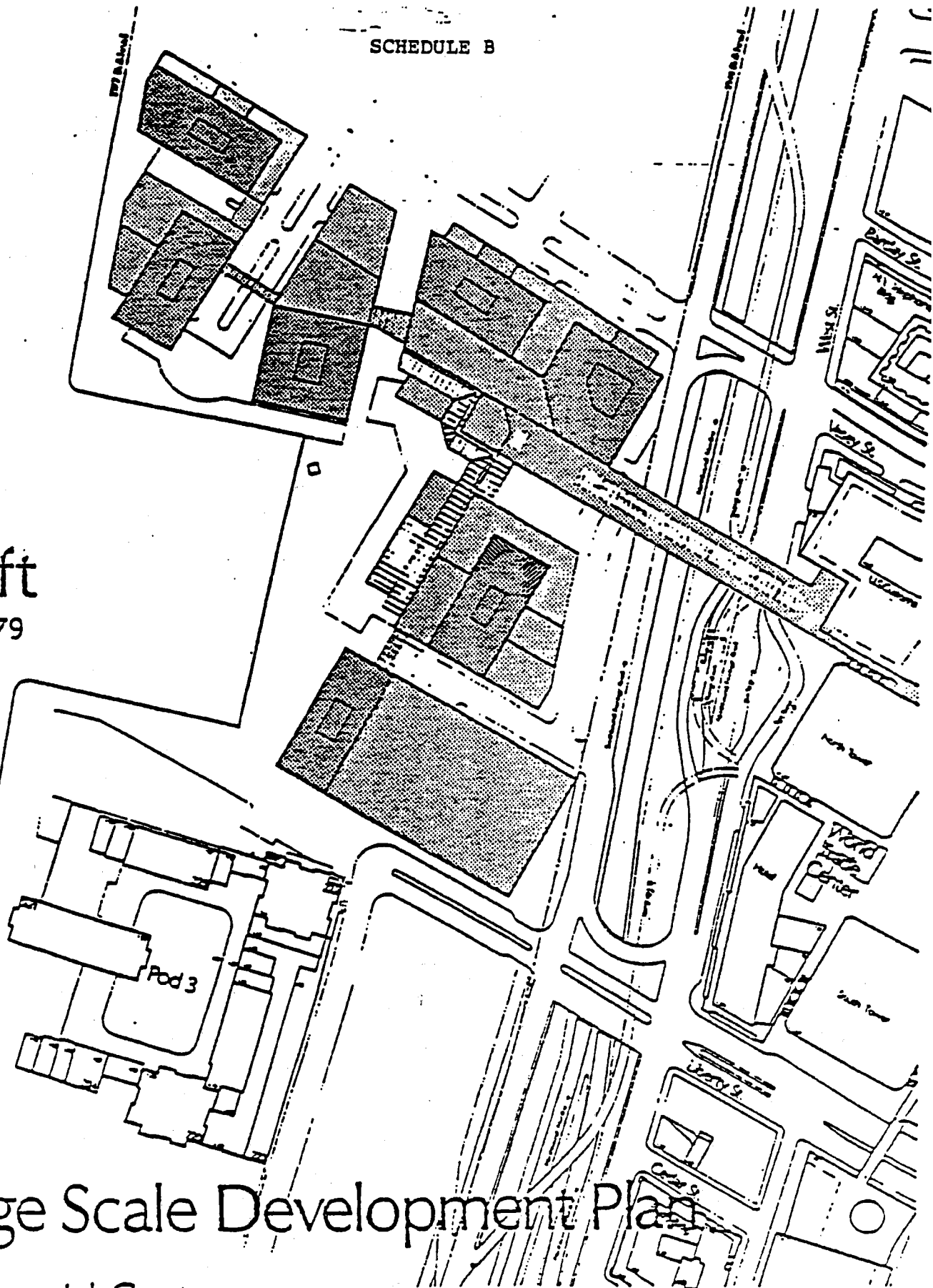
SCHEDULE B

Draft

11-06-79

Large Scale Development Plan

Commercial Center
Roof Plan



BATTERY PARK CITY
LARGE-SCALE COMMERCIAL DEVELOPMENT PLAN

In order to promote and facilitate superior site planning and to allow greater flexibility while safeguarding the present and future uses of the surrounding areas, the following regulations shall guide development within the project:

1. Description of the Site (See Attachment "A")

(1.1) The site is approximately 15.2 acres of land bounded by the north edge of Liberty Street Extended on the south; the 1941 Bulkhead line on the east; the north edge of Vesey Street Extended on the north; and the 1977 Bulkhead line at the Hudson River on the west.

2. Use Regulations

(2.1) The uses permitted shall be those allowed by the New York City Zoning Resolution for C 6, General Central Commercial areas.

(2.2) In addition, uses permitted in Use Group 14, special services and facilities for boating and related activities, shall also be allowed.

(2.3) Retail uses permitted shall be limited to those intended to serve only the site; retail space shall be distributed in a shallow, linear configuration limited to not more than 10,000 square feet per establishment; and in no event shall the total retail space exceed 100,000 square feet.

3. Bulk Regulations

(3.1) For the purposes of future development within the site, the site shall be considered as one zoning lot.

(3.2) The density of the site shall not exceed an overall Floor Area Ratio (FAR) of 15.0. This FAR is attributable to the entire area of the site, excluding those areas designated for street or public open space usage.

(3.2.1) Residential density, if provided, shall not exceed a FAR of 12.0. No residential building or residential portion of

a mixed building shall exceed a floor area of 12.0 times the lot area of the site attributable to such building.

(3.2.2) For each 300 square feet of gross residential floor area, there shall be no more than one zoning room.

(3.3) Public open space of not less than 3.0 acres (20 percent of the site area) shall be provided (See Attachment "B").

(3.4) Setbacks shall be provided in the following manner:

(3.4.1) Along the perimeter streets of the site, buildings may rise on their street line without setbacks for a height of 140 feet. They must then set back no less than 15 feet for the remaining height. If a building provides an initial setback of 20 feet or greater from the street line, no additional setback is required. For purposes of this paragraph, Liberty, West and Vesey Streets shall be deemed to be perimeter streets.

(3.4.2) Total coverage of the site by buildings above elevation +140 shall not exceed 30 percent.

(3.5) The height of any building may not be greater than one-half the height of the adjacent World Trade Center.

(3.6) The minimum distance between buildings, above a base height of 140 feet, shall be no less than 100 feet, measured from the center point of facing walls.

(3.7) The distribution of bulk shall in general reflect the illustrative concept plan shown in Attachments A, B and C.

4. Off-street Parking

(4.1) Parking shall be limited to 1,000 spaces within the site.

(4.2) All permanent spaces shall be provided within

enclosed structures.

5. Provision of Improvements (See Attachment "B")

(5.1) Public improvements shall be scheduled for construction such that same will be substantially completed prior to the issuance of permanent Certificates of Occupancy for the commercial office space as follows:

(5.1.1) Enclosed pedestrian bridge: in excess of 2.5 million square feet

(5.1.2) Public open space: in excess of 4.0 million square feet

(5.1.3) Private streets: in excess of 5.5 million square feet

6. Site Boundary Alternative (See Attachment "C")

(6.1) In the event that waterfront portions of the site are developed for residential use, the site boundaries may be extended along West Street north of Vesey Street and south of Liberty Street as shown. Commercial development on these sites would be subject to the Large Scale Development Plan controls previously outlined.

7. Modifications to the Plan

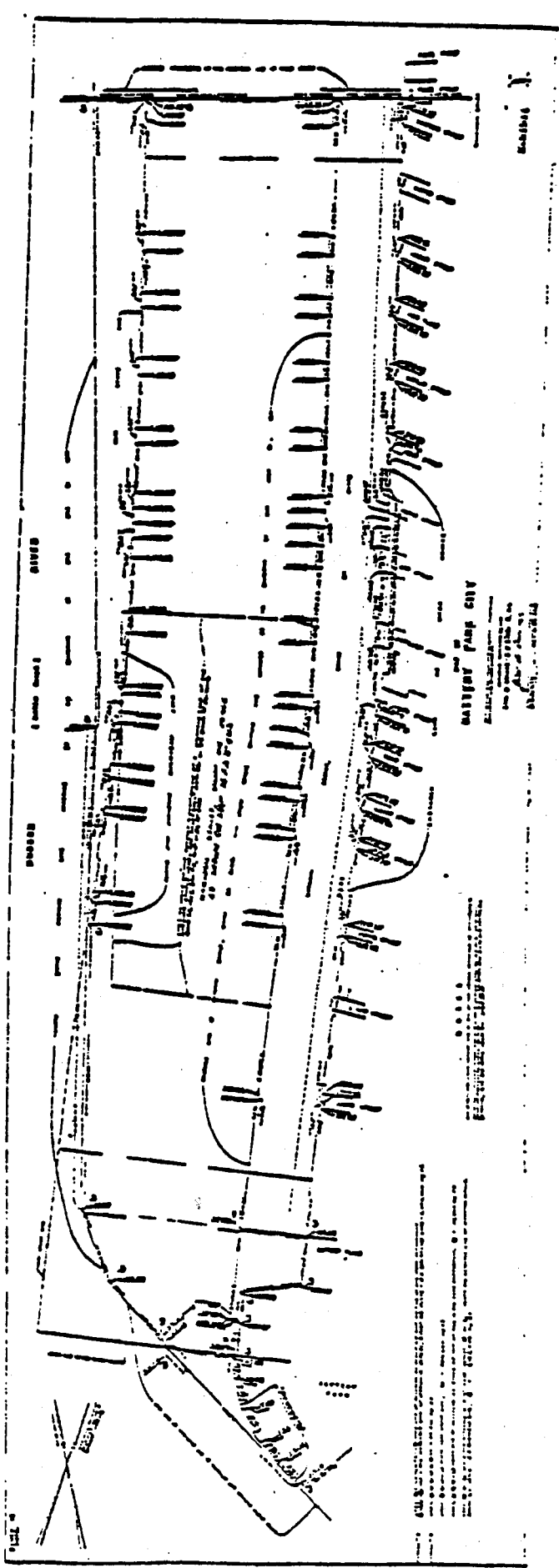
(7.1) If BPCA wishes to make any major modifications to the Large Scale Development Plan, it shall submit the proposed major modifications to the New York City Planning Commission for review.

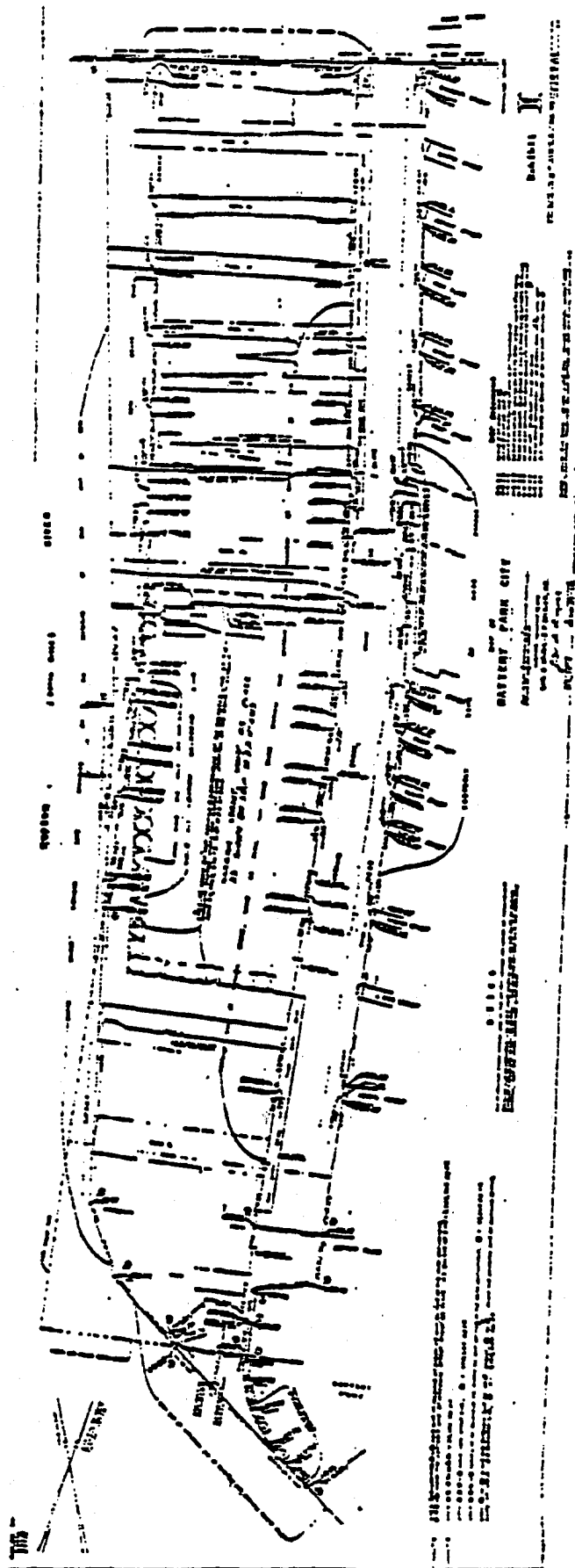
Page 1

THE UNITED STATES OF AMERICA

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT





1. **GENERAL INFORMATION**
 2. **DESCRIPTION OF THE PROJECT**
 3. **SCOPE OF THE PROJECT**
 4. **OBJECTIVES OF THE PROJECT**
 5. **SCOPE OF THE PROJECT**
 6. **OBJECTIVES OF THE PROJECT**
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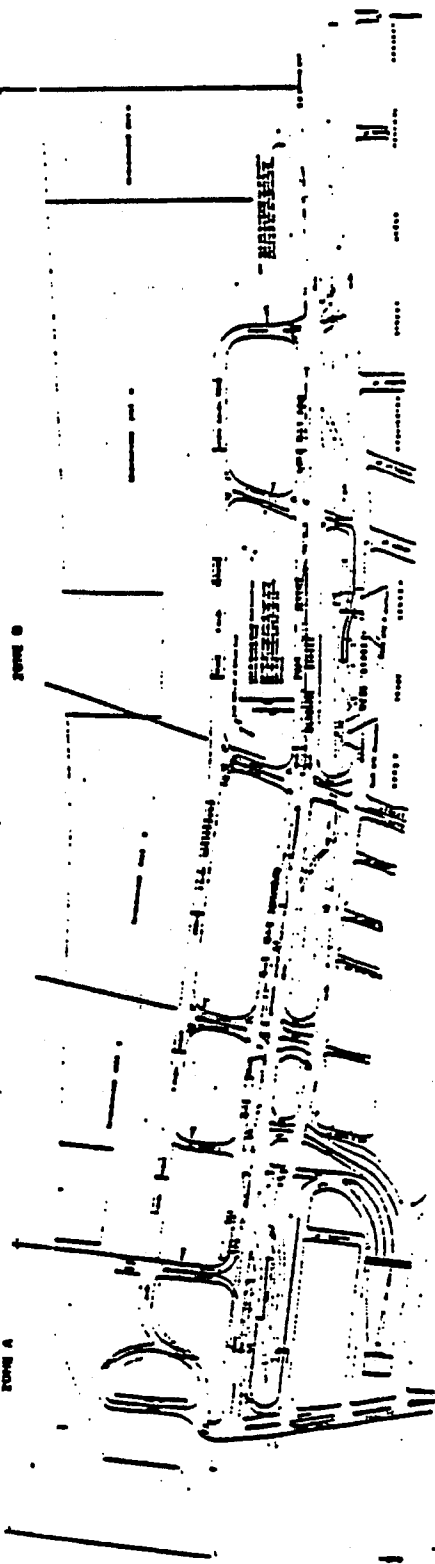
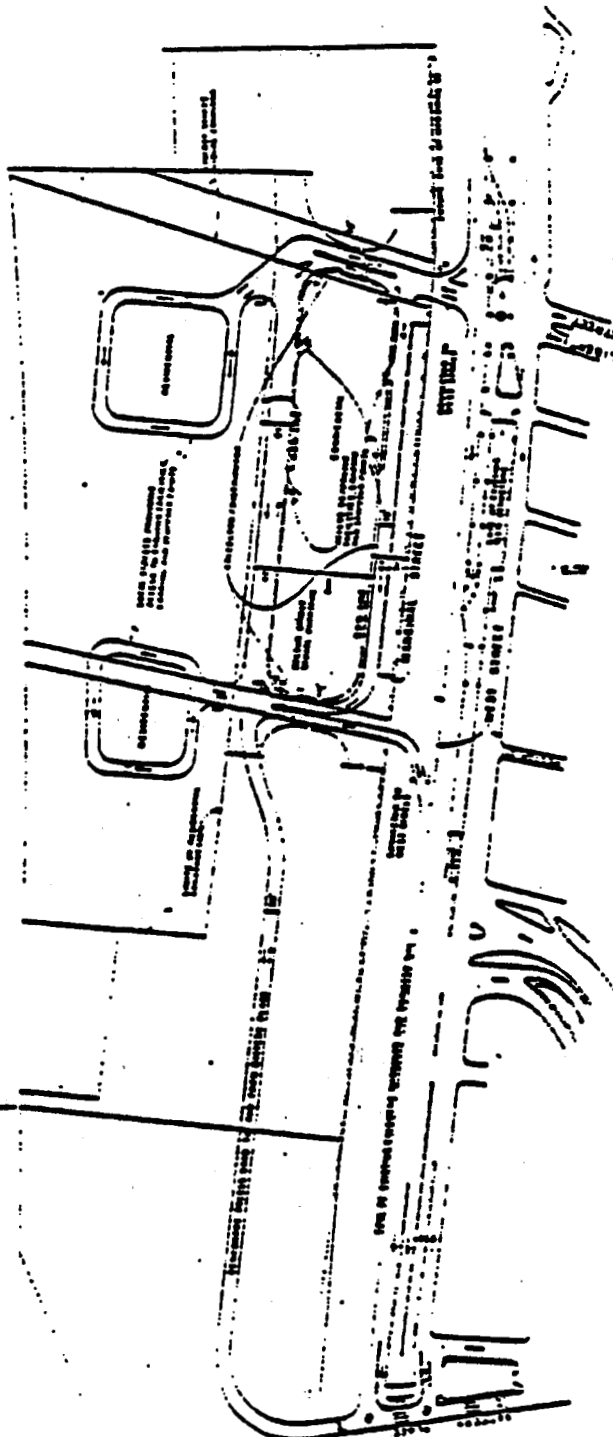


FIGURE 1

FIGURE 2

ZONE D



**VEHICULAR
CIRCULATION
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BATTERY PARK CITY

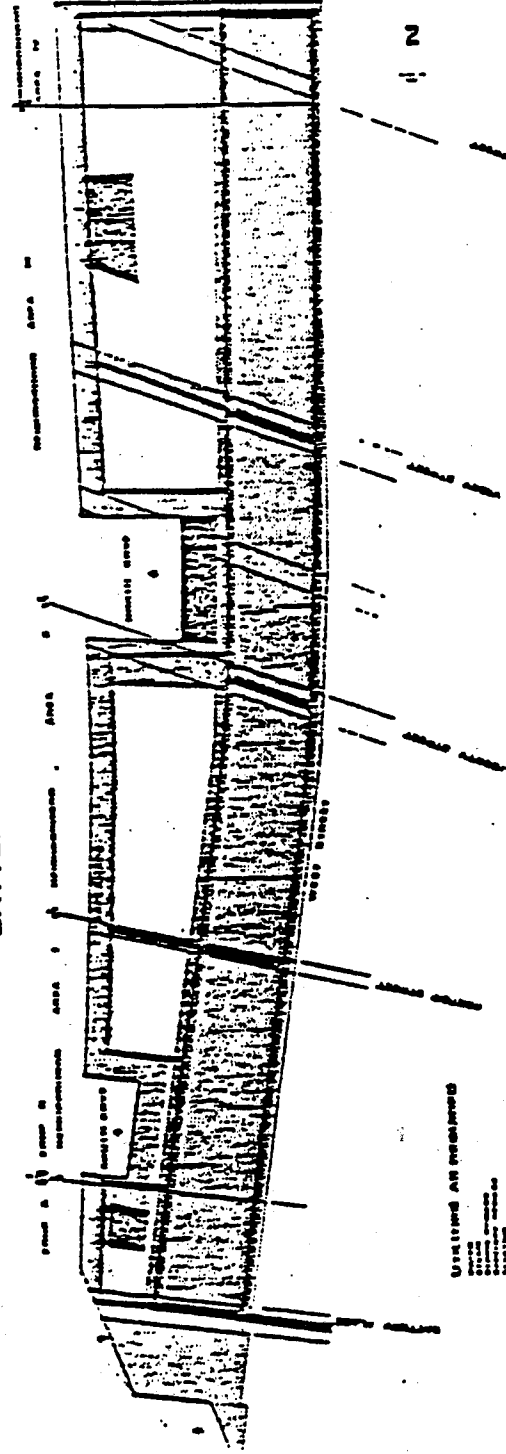


EXHIBIT V

UTILITY AREAS
DETERMINED BY 1975

UTILITIES AS REQUIRED

- Water
- Sewer
- Gas
- Electric
- Telephone
- Sanitary
- Storm

PROPOSED UTILITY ZONE

- PROPOSED PLANT
- CONDUIT TO BE LOCATED
- IN STREET RIGHT OF WAY
- WALL BE FILLED IN ON
- PLATFORMS OVER IN
- WHOLE ON IN PART

U. S. Pierhead Line

Approximate
Location
of Public
Open Space
to be pro-
vided by
The Port
Authority
Of New
York and
New Jersey.

SCHOOL
35,000 SQ. FT.
ON 2 LEVELS

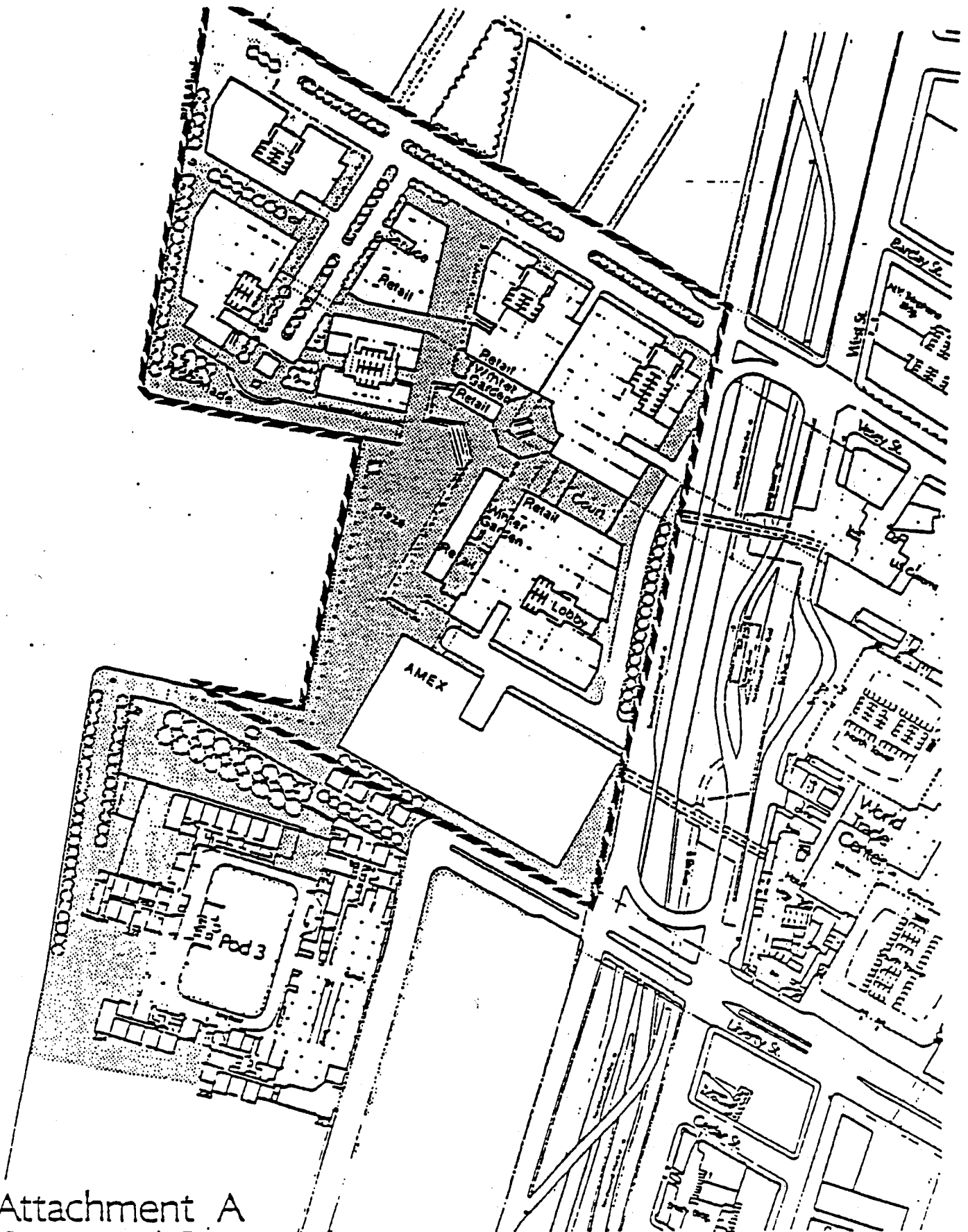
Illustrative Access Road

Liberty Street
Visual Corridor

U. S. Bulkhead Line

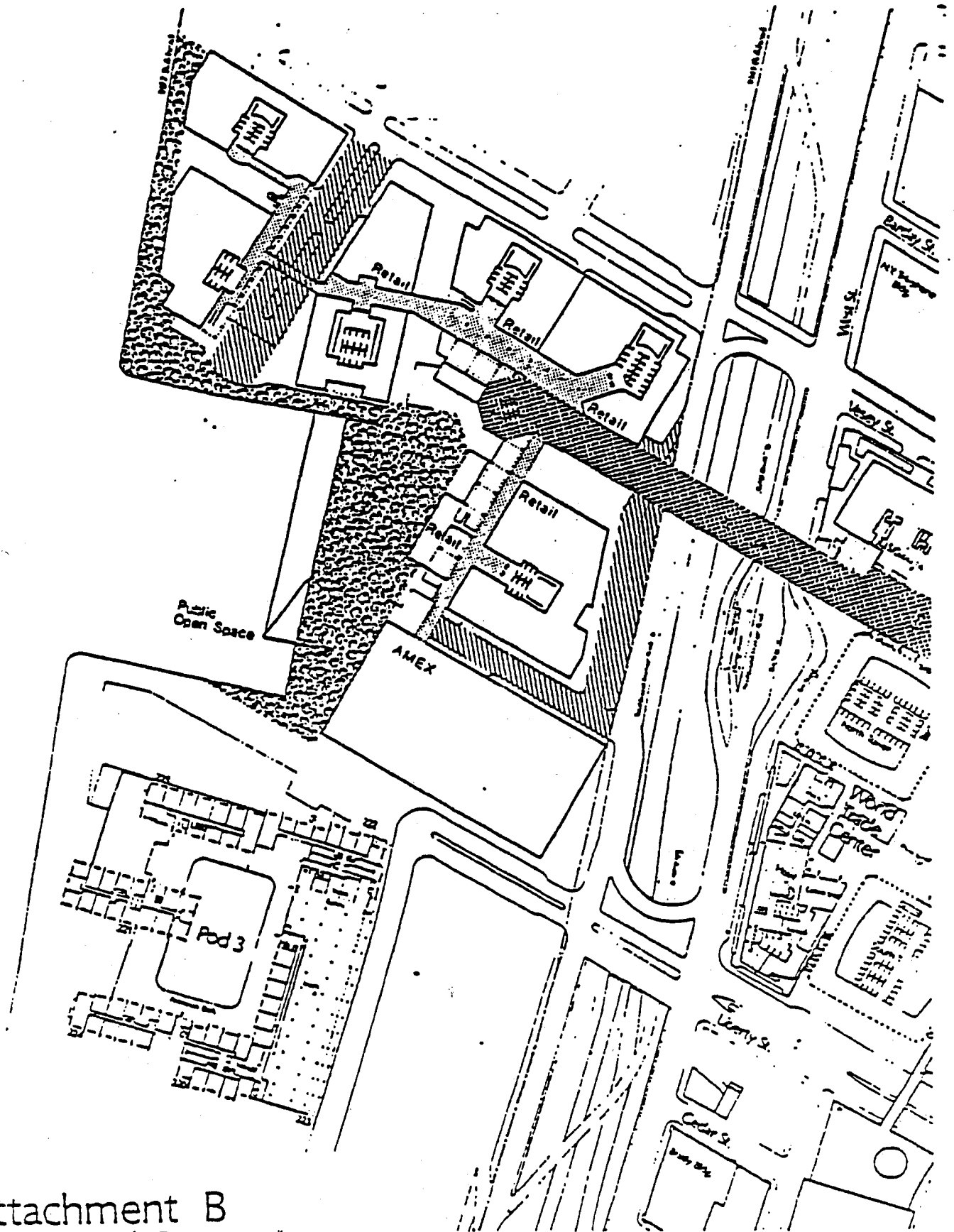
BATTERY PARK CITY
LOCATION OF FIRST SCHOOL

EXHIBIT VI



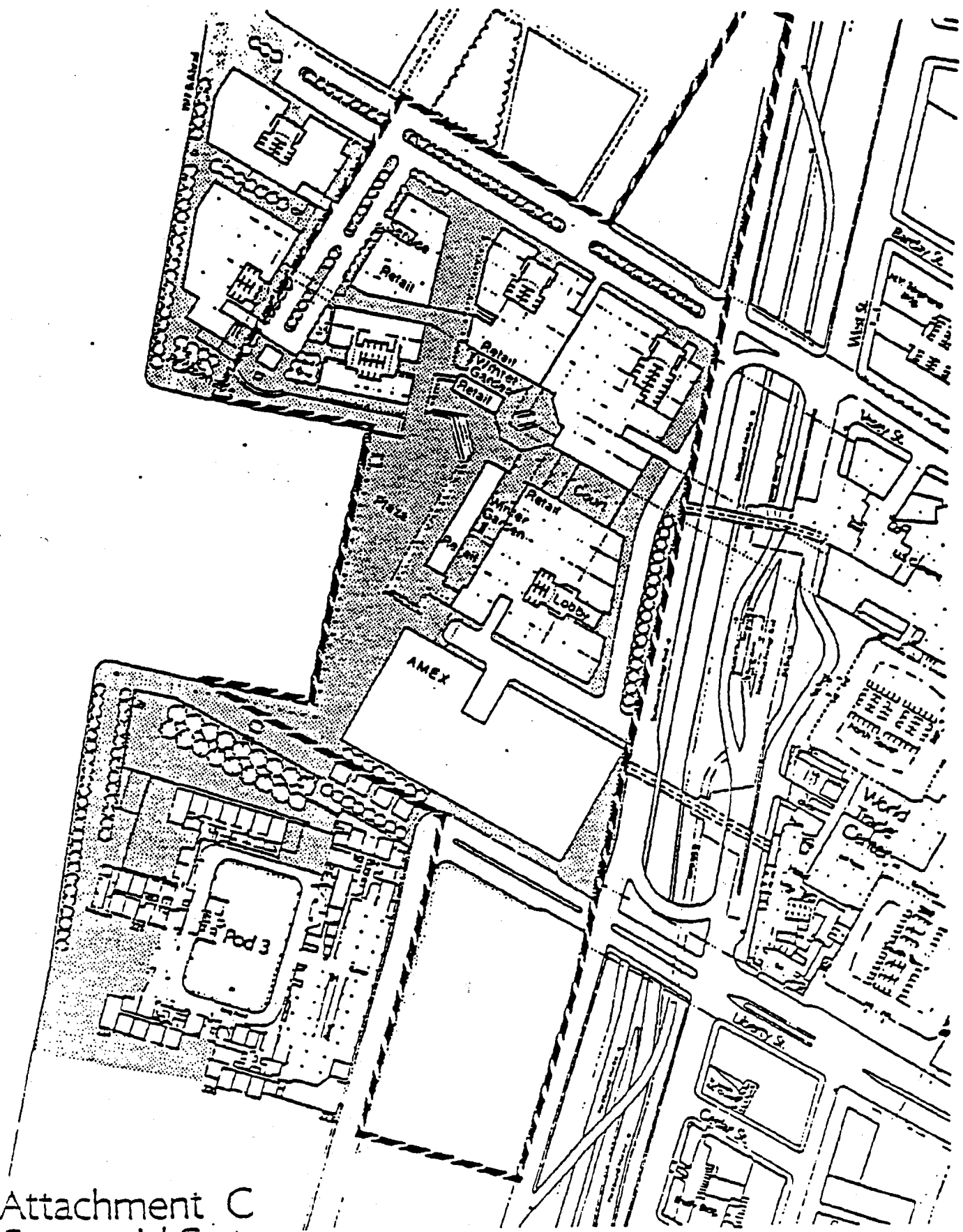
Attachment A
Commercial Center
Street Level





Attachment B
Commercial Center
+32 Level

© 1979



Attachment C
Commercial Center
Street Level



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

On the 15th day of June, 1983, before me personally came Barry E. Light, to me known, who, being by me duly sworn, did depose and say that he resides at 345 West 88th Street, N.Y. NY; that he is the President and Chief Executive Officer of Battery Park City Authority, the Authority described in and which executed the foregoing instrument; that he knows the seal of said Authority; that the seal affixed to said instrument is such Authority's seal; that it was so affixed by orders of the members of said Authority, and that he signed his name thereto by like order.

FRANK LAGHEZZA, JR.
Notary Public, State of New York
No. 41-4750849
Qualified in Queens County
Commission Expires March 30, 1985

Frank Laghezza, Jr.
Notary Public

STATE OF NEW YORK)
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Qualified in Queens County
Commission Expires March 30, 1985

Frank Laghezza, Jr.
Notary Public

1.2.



FIRST AMENDMENT TO RESTATED AMENDED LEASE, made as of the 15th day of June, 1983, between BATTERY PARK CITY AUTHORITY ("Landlord"), a public benefit corporation of the State of New York, as landlord under the Restated Amended Lease (as hereinafter defined), and BATTERY PARK CITY AUTHORITY ("Tenant"), a public benefit corporation of the State of New York, as tenant under the Restated Amended Lease.

WHEREAS, BPC DEVELOPMENT CORPORATION ("BPCDC"), a subsidiary of New York State Urban Development Corporation, a corporate governmental agency of the State of New York constituting a political subdivision and public benefit corporation, and Tenant entered into a Restated Amended Agreement of Lease (the "Restated Amended Lease"), dated as of June 10, 1980, amending and restating that certain Lease, dated as of November 24, 1969, as amended, between The City of New York and Tenant; and

WHEREAS, pursuant to the Restated Amended Lease, BPCDC, as successor to The City of New York, leased to Tenant the Project Area, as defined and more particularly described in the Restated Amended Lease; and

WHEREAS, by Deed (the "Deed"), dated December 28, 1982, BPCDC conveyed the Project Area to Battery Park City Authority (sometimes herein referred to as the "Authority"); and

WHEREAS, pursuant to the terms of the Deed and Section 24.06 of the Restated Amended Lease, the Restated Amended Lease and the leasehold estate created thereby have not merged with the fee estate in the Project Area or any part thereof by reason of the fact that the same party, namely the Authority, has acquired and holds the Restated Amended Lease and the leasehold estate created thereby as well as the fee estate in the Project Area; and

WHEREAS, the Authority, as Landlord and Tenant, desires to make certain amendments to the Restated Amended Lease and, in particular, desires to (a) make it clear that the definition of the term "Basic Sublease" in the Restated Amended Lease includes direct leases (other than the Restated Amended Lease) entered into by the Authority, as fee owner of the Project Area, and thereby make clear that certain obligations to be performed by the Authority with respect to Basic Subleases which are not direct leases and portions of the Project Area covered thereby must also be performed with respect to direct leases and portions of the Project Area covered thereby, and that certain terms and provisions required to be contained in Basic Subleases which are not direct leases must also be contained in direct leases, and (b) subordinate its estate as Tenant under the Restated Amended Lease to the estate of tenants under di-

rect leases entered into by the Authority, as fee owner of the Project Area or any part thereof;

NOW, THEREFORE, Landlord and Tenant, in consideration of the agreements contained herein, hereby amend the Restated Amended Lease, as follows:

1. Amendment of Section 1.01. Section 1.01 is hereby amended by adding new paragraphs 1.01(pp), (qq) and (rr) thereto, reading as follows:

"(pp) 'Authority,' the Battery Park City Authority, a public benefit corporation of the State of New York.

"(qq) 'Landlord,' the Battery Park City Authority, a public benefit corporation of the State of New York."

"(rr) 'Tenant,' the Battery Park City Authority, a public benefit corporation of the State of New York, as tenant under this Lease and as landlord under a Basic Sublease (whether such Basic Sublease is made by the Authority as tenant under this Lease or (except for this Lease) as fee owner of a Parcel).

2. Amendment of Section 1.01(c). Section 1.01(c), providing for the definition of "Basic Sublease", is hereby amended to read as follows:

"'Basic Sublease,' a lease of an entire Parcel (hereinafter defined) made by the Authority, whether as Tenant hereunder or (except for this Lease) as fee owner of such Parcel, to a Developer (hereinafter defined)."

3. Amendments of Sections 6.03, 6.07 and 10.01. Section 6.03 is hereby amended by deleting the reference to UDC from the second line thereof so that such second

line reads, "the mutual benefit of Landlord and Tenant comprehensive". Section 6.07 is hereby amended by deleting the reference to UDC from the second line thereof so that such second line reads, "herein shall name Landlord, Tenant and the Developer". Section 10.01(a) is hereby amended by deleting the reference to UDC from the sixth line thereof so that such sixth line reads, "lord, Tenant or the State of New York, Tenant shall,". Section 10.01(b) is hereby amended by deleting the reference to UDC from the thirteenth line thereof so that such thirteenth line reads, "propriated to Landlord, Tenant or the State of New". Section 10.01(b) is hereby further amended by deleting the reference to UDC from the twenty-first line thereof so that such twenty-first line reads, "Landlord, Tenant or the State of New York."

4. Amendment of Section 13.03. Section 13.03 is hereby amended to read as follows:

"SECTION 13.03. A. Each Basic Sublease shall contain provisions to the following effect:

(a) that it is subject to all of the terms and conditions of this Lease, except that this requirement shall not apply to a Basic Sublease which is a direct lease made by the Authority as fee owner of an entire Parcel; and

(b) that it shall expire prior to the Expiration Date.

B. This Lease and the estate devised hereunder shall at all times be subject and subordinate to the

estate, rights and interests of the tenant under each Basic Sublease which is a direct lease of an entire Parcel made by the Authority as fee owner, and to the estate, rights and interests of each person holding under such tenant, whether as sublessee or otherwise, and neither the continuance, termination, cancellation or surrender of this Lease nor the taking of or failure to take action under this Lease shall in and of itself affect such estates, rights or interests, provided that such Basic Sublease shall contain those provisions required by this Lease to be contained in any Basic Sublease. Notwithstanding the foregoing, Tenant shall continue to be liable to Landlord for the observance and performance of Tenant's obligations and duties under this Lease. It is expressly understood and agreed that the expiration or earlier termination of a Basic Sublease shall not in and of itself cause the termination of this Lease as to the Parcel covered by such Basic Sublease.

5. Amendment of Section 13.04. Section 13.04 is hereby amended by adding after the words "Each Basic Sublease of a Parcel", appearing in the first line thereof, the words ", other than a direct lease made by the Authority as fee owner of an entire Parcel,".

6. Amendment of Section 13.05. Section 13.05 is hereby amended by adding after the words "each Basic Sublease", appearing in the second line thereof, the words ", other than a direct lease made by the Authority as fee owner of an entire Parcel,".

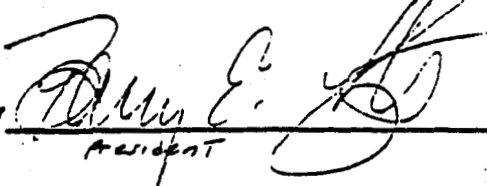
7. Amendment of Section 15.05. Section 15.05 is hereby amended by adding after the words "other charges payable under each Basic Sublease", appearing in the fifth line thereof, the words "which is a direct lease made by

the Authority as fee owner of an entire Parcel or".

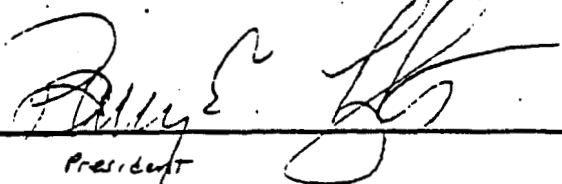
8. Ratification of Lease. The Restated Amended Lease, as amended by this First Amendment to Restated Amended Lease, is in all respects ratified and confirmed.

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this First Amendment to Restated Amended Lease as of the day and year first above written.

BATTERY PARK CITY AUTHORITY, Landlord

By 
President

BATTERY PARK CITY AUTHORITY, Tenant

By 
President

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

On the 15th day of June, 1983, before me personally came Barry E. Light, to me known, who, being by me duly sworn, did depose and say that he resides at 345 West 88th Street, New York NY; that he is the President and Chief Executive Officer of Battery Park City Authority, the Authority described in and which executed the foregoing instrument; that he knows the seal of said Authority; that the seal affixed to said instrument is such Authority's seal; that it was so affixed by orders of the members of said Authority, and that he signed his name thereto by like order.

FRANK LAGHEZZA, JR.
Notary Public, State of New York
No. 41-4750849
Qualified in Queens County
Commission Expires March 30, 1995

Frank Laghezza, Jr.
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1.3.



SECOND AMENDMENT TO RESTATED AMENDED LEASE, dated the 15th day of June, 1983 between BATTERY PARK CITY AUTHORITY ("Landlord"), a public benefit corporation of the State of New York, as landlord under the Restated Amended Lease (as hereinafter defined), and BATTERY PARK CITY AUTHORITY ("Tenant"), a public benefit corporation of the State of New York, as tenant under the Restated Amended Lease.

W I T N E S S E T H :

WHEREAS, Battery Park City Authority is both the landlord and the tenant under the Restated Amended Agreement of Lease, dated as of June 10, 1980, originally between BPC Development Corporation, as landlord, and Battery Park City Authority, as tenant (the "Lease"), as amended by First Amendment to Restated Amended Lease, of even date herewith (the Lease as so amended hereinafter collectively referred to as the "Restated Amended Lease"); and

WHEREAS, the City of New York has promulgated a housing policy and program approved by the Mayor and the Board of Estimate and set forth in the "Seventh Year Community Development Program: Housing Assistance Plan" dated September 1, 1981 (the "Housing Plan"); and

WHEREAS, on November 13, 1981 the New York City Board of Estimate approved an amendment (the "Zoning Amendment") to the Zoning Resolution of the City of New York amending the Special Battery Park City District relating to the Project Area (as that term is defined in the Restated Amended Lease); and

WHEREAS, on January 13, 1983, the New York City Board of Estimate approved an increase in the amount of allowable retail space from 100,000 square feet to 283,000 square feet in the commercial core of the Project Area; and

WHEREAS, Landlord and Tenant desire to amend the Restated Amended Lease to insure that development thereunder is consistent with the Housing Plan, the Zoning Amendment and the January 13, 1983 Resolution of the New York City Board of Estimate;

NOW, THEREFORE, Landlord and Tenant hereby amend the Restated Amended Lease as follows:

1(a). Section 1.01(x) of the Lease is hereby amended by deleting the words "superseded and modified" appearing on the third line thereof and inserting in lieu thereof "supplemented";

(b). Schedule A to the Lease is hereby amended by deleting such Schedule in its entirety and substituting in lieu thereof Schedule A to this Amendment; and

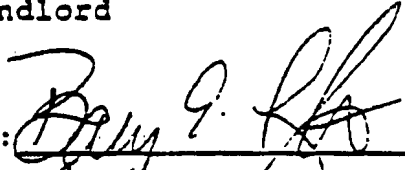
(c). Schedule B to the Lease is hereby amended

by deleting such Schedule in its entirety and substituting in lieu thereof Schedule "B" to this Amendment.

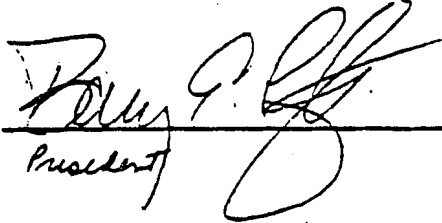
2. As amended hereby, the Restated Amended Lease is in all respects ratified and confirmed.

IN WITNESS WHEREOF, the parties have duly executed this Second Amendment to the Restated Amended Lease as of the day and year first above written.

BATTERY PARK CITY AUTHORITY,
Landlord

By: 
President

BATTERY PARK CITY AUTHORITY,
Tenant

By: 
President

SCHEDULE A

MASTER DEVELOPMENT PLAN -- RESIDENTIAL AREA

AT BATTERY PARK CITY

This Master Development Plan concerns itself with the approximately 91 acres of land located between the existing bulkhead line to the United States Pierhead line from Battery Place to the edge of the landfill located approximately 300 feet north of Chambers Street extended. A map of the project area is attached as Exhibit 1.

The residential area at Battery Park City shall contain no more than 14,100 dwelling units and be developed in accordance with the Zoning Resolution of New York City applicable to Battery Park City, as same is in effect from time to time, and shall be consistent with New York City's Housing Assistance Plan, as same is in effect from time to time. The development shall be predicated upon an over-all development strategy that seeks to incorporate the best physical qualities of New York City. Each developer shall use every effort to make the residential neighborhood at Battery Park City an extension of New York City. This is to be accomplished by applying to Battery Park City familiar and proven design elements in existence in other areas of New York City. At the heart of each development shall be a system of traditional streets and blocks punctuated by open spaces and landscaped areas.

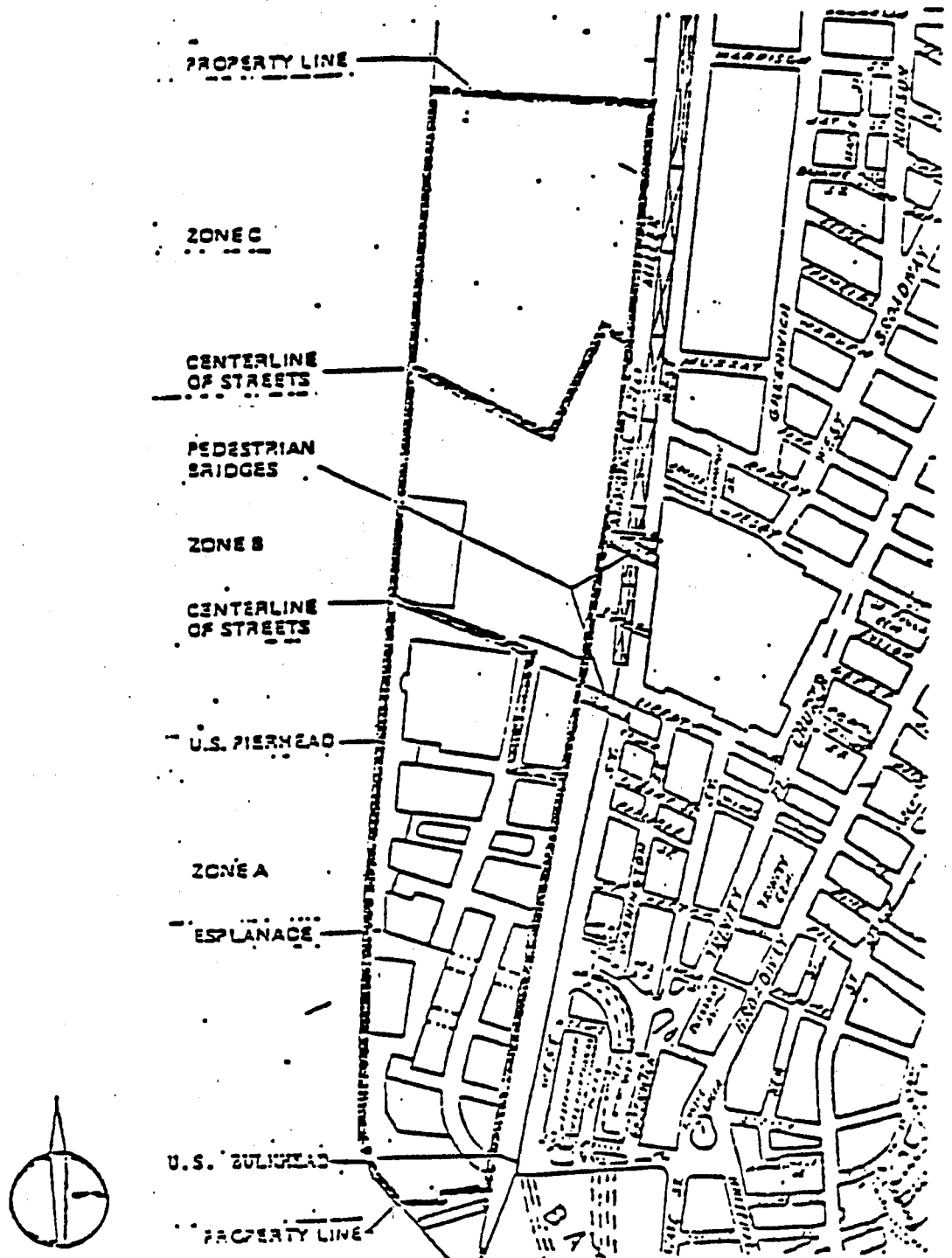
The residential areas shall be organized around an at grade circulation system of streets surrounding conventionally sized blocks. The use of this traditional pattern of streets and blocks is intended to establish a direct relationship to the adjoining upland areas and reflect the long-standing and successful pattern of development in New York City.

A strong relationship between streets and parks is to be created. Parks are to be integrated into the street grid and the streets are to take on the characteristics of parks wherever they meet. In some areas, such as Rector Place, North End Avenue and South End Avenue, the neighborhoods are to enjoy a direct relationship to the parks. At Rector Place, a formal landscaped park shall become a focus for the adjacent residential development. Along North End Avenue and South End Avenue, landscaping is to enhance the streets which will introduce complementary retail and commercial uses to the residential area. As the residential area is developed, the neighborhoods will take on qualities that provide a sense of specialness and create a unique address for their residents.

The development of the residential area contemplates construction of a variety of building types. This mix shall include high-rise apartment towers, medium size apartment houses, and small, brownstone scaled buildings. These different kinds of structures shall be configured to complement each other, to create desirable relationships to the adjacent parks and to allow unobstructed views of the City and the waterfront wherever possible.

The residential area shall be developed in accordance with additional design guidelines that will describe the individual buildings in terms of location, bulk and materials. The guidelines also shall prescribe certain design features for the buildings such as arcades, mandatory street walls and architectural treatments. It is intended that careful application of the guidelines set forth herein and of any such additional guidelines shall ensure creation of the desired character of the residential development. All such guidelines shall govern and direct the residential development as it is completed over a period of several years by numerous developers on dozens of development parcels. Within the context of the aforesaid directives, variety of development at the residential area will be provided through the creative interpretation of the guidelines by the different developers.

BATTERY PARK CITY BOUNDARIES



SCHEDULE B

BATTERY PARK CITY

LARGE-SCALE COMMERCIAL DEVELOPMENT PLAN

In order to promote and facilitate superior site planning and to allow greater flexibility while safeguarding the present and future uses of the surrounding areas, the following regulations shall guide development within the project:

1. Description of the Site (See Attachment "A")

(1.1) The site is approximately 15.2 acres of land bounded by the north edge of Liberty Street Extended on the south; the 1941 Bulkhead line on the east; the north edge of Vesey Street Extended on the north; and the 1977 Bulkhead line at the Hudson River on the west.

2. Use Regulations

(2.1) Total retail space may not exceed 283,000 square feet.

(2.2) The uses permitted for 100,000 square feet shall be those allowed by the New York City Zoning Resolution for general retail (Use Groups 6-12).

(2.3) In addition, uses permitted in Use Group 14, special services and facilities for boating and related activities, shall also be allowed except with respect to the 183,000 square feet of retail space referred to in 2.5 below.

(2.4) Retail uses permitted shall be limited to those intended to serve only the site; retail space shall be distributed in a shallow, linear configuration limited, except as set forth in 2.5 below, to not more than 10,000 square feet per establishment.

(2.5) For the remaining 183,000 square feet, retail space shall be limited to the following uses in Use Group 6:

6A. Convenience Retail or Service Establishments

1. Bakeries
2. Barber shops
3. Beauty parlors

4. Drug stores
5. Drycleaning or clothes pressing establishment
6. Eating and drinking places
7. Food stores, including - delicatessen stores
8. Hardware stores
9. Package liquor stores
10. Post offices
11. Shoe or hat repair shops

6B. Offices

1. Offices, business, professional or governmental, provided that the offices shall be restricted to those that deal directly with the public, such as but not limited to stockbrokers, OTB, real estate, insurance and professional offices

6C. Retail or Service Establishments

1. Art galleries, commercial
2. Artists' supply stores
3. Banks
4. Book stores
5. Candy or ice cream stores
6. Cigar or tobacco stores
7. Florist shops
8. Gift shops
9. Loan offices
10. Locksmith shop
11. Medical or orthopedic appliance stores
12. Meeting halls

- 13. Music stores
- 14. Newstands, open or enclosed
- 15. Optician or optometrist establishments
- 16. Pet shops
- 17. Photographic studios
- 18. Picture framing shops
- 19. Record stores
- 20. Stamp or coin stores
- 21. Telegraph offices
- 22. Travel bureaus
- 6D. Public Service Establishments
 - Telephone exchanges or other communications equipment structure.
- 6E. Clubs
 - Non-commercial clubs without restrictions on activities or facilities.
- 6F. Accessory Uses
 - Further, eating and drinking establishments, meeting halls, public service establishments, non-commercial clubs and theaters, and offices located on the ground (-12.5) level may exceed the limit of 10,000 square feet per establishment.

3. Bulk Regulations

(3.1) For the purposes of future development within the site, the site shall be considered as one zoning lot.

(3.2) The density of the site shall not exceed an overall Floor Area Ratio (FAR) of 15.0. This FAR is attributable to the entire area of the site, excluding those areas designated for street or public open space usage.

(3.2.1) Residential density, if provided, shall not exceed a FAR of 12.0. No residential building or residential portion of a mixed building shall exceed a floor area of 12.0 times the lot area of the site attributable to such building.

(3.2.2) For each 300 square feet of gross residential floor area, there shall be no more than one zoning room.

(3.3) Public open space of not less than 3.0 acres (20 percent of the site area) shall be provided (See Attachment "B").

(3.4) Setbacks shall be provided in the following manner:

(3.4.1) Along the perimeter streets of the site, buildings may rise on their street line without setbacks for a height of 140 feet. They must then set back no less than 15 feet for the remaining height. If a building provides an initial setback of 20 feet or greater from the street line, no additional setback is required. For purposes of this paragraph, Liberty, West and Vesey Streets shall be deemed to be perimeter streets.

(3.4.2) Total coverage of the site by buildings above elevation +140 shall not exceed 30 percent.

(3.5) The height of any building may not be greater than one-half the height of the adjacent World Trade Center.

(3.6) The minimum distance between buildings, above a base height of 140 feet, shall be no less than 100 feet, measured from the center point of facing walls.

(3.7) The distribution of bulk shall in general reflect the illustrative concept plan shown in Attachments A, B and C.

4. Off-street Parking

(4.1) Parking shall be limited to 1,000 spaces within the site.

(4.2) All permanent spaces shall be provided within enclosed structures.

5. Provision of Improvements (See Attachment "B")

(5.1) Public improvements shall be scheduled for construction such that same will be substantially completed prior to the issuance of permanent Certificates of Occupancy for the commercial office space as follows:

(5.1.1) Enclosed pedestrian bridge: in excess of 2.5 million square feet

(5.1.2) Public open space: in excess of 4.0 million square feet

(5.1.3) Private streets: in excess of 5.5 million square feet

(5.2) The central portions of the Wintergarden and the Courtyard shall be designed in accordance with the following: --

(5.2.1) The central portion of the Wintergarden in an east-west alignment shall provide public access between the landing of the North Bridge and the public plaza and waterfront promenade or esplanade. To that end, the central portion of the space, 65 feet wide between column lines, shall be devoted to public use with an average aggregate unobstructed width of 30'-0" for pedestrian access and circulation, and with at least one major pedestrian route having a clear path of not less than 15'-0". Permitted obstructions, within the 65 foot wide space, but not infringing upon the 30 foot wide public pedestrian path(s), and in addition to the small, movable, income producing retail and display uses, such as fountains and reflecting pools, sculpture and other works of art, shall not occupy more than 10% of said space.

(5.2.2) In the remaining central space, small, movable, income-producing retail or display uses may be permitted, but in no event shall the total area occupied by such uses exceed eight percent of the area of the space within the column line. The City Planning Commission will be concerned specifically with the size and number of such movable elements.

(5.2.3) Free public seating shall be provided in the central space of the Wintergarden. The City Planning Commission will be looking for public seating throughout that space, in addition to the seating permitted on the grand staircase.

(5.2.4) Physically and visually uninterrupted access, including access for the handicapped, shall be provided from the west elevation of the Wintergarden to the public plaza and promenade or esplanade. The City Planning Commission, in its subsequent review, will be looking for adequate provision of access and appropriate signage, as specified in the June 15, 1981 Letter of Certification.

(5.2.5) The central portion of the Courtyard (the public space, open to the sky, located between Tower C and Tower D) in a north-south alignment, shall provide public access between the extension of Vesey Street and the public plaza and waterfront promenade or esplanade. To that end, the central bay of the Courtyard, 25 feet wide between column lines, shall be devoted to public use. Within this space there shall be an average, aggregate circulation path of not less than 15'-0". Permitted obstructions, within the 25 foot wide space, but not infringing upon the 15 foot wide public pedestrian path, shall be limited to fountains and reflecting pools, sculpture and other works of art, seating, and trees and planting beds flush with grade. These permitted obstructions shall, however, occupy no more than 10% of the public access area, between the columns.

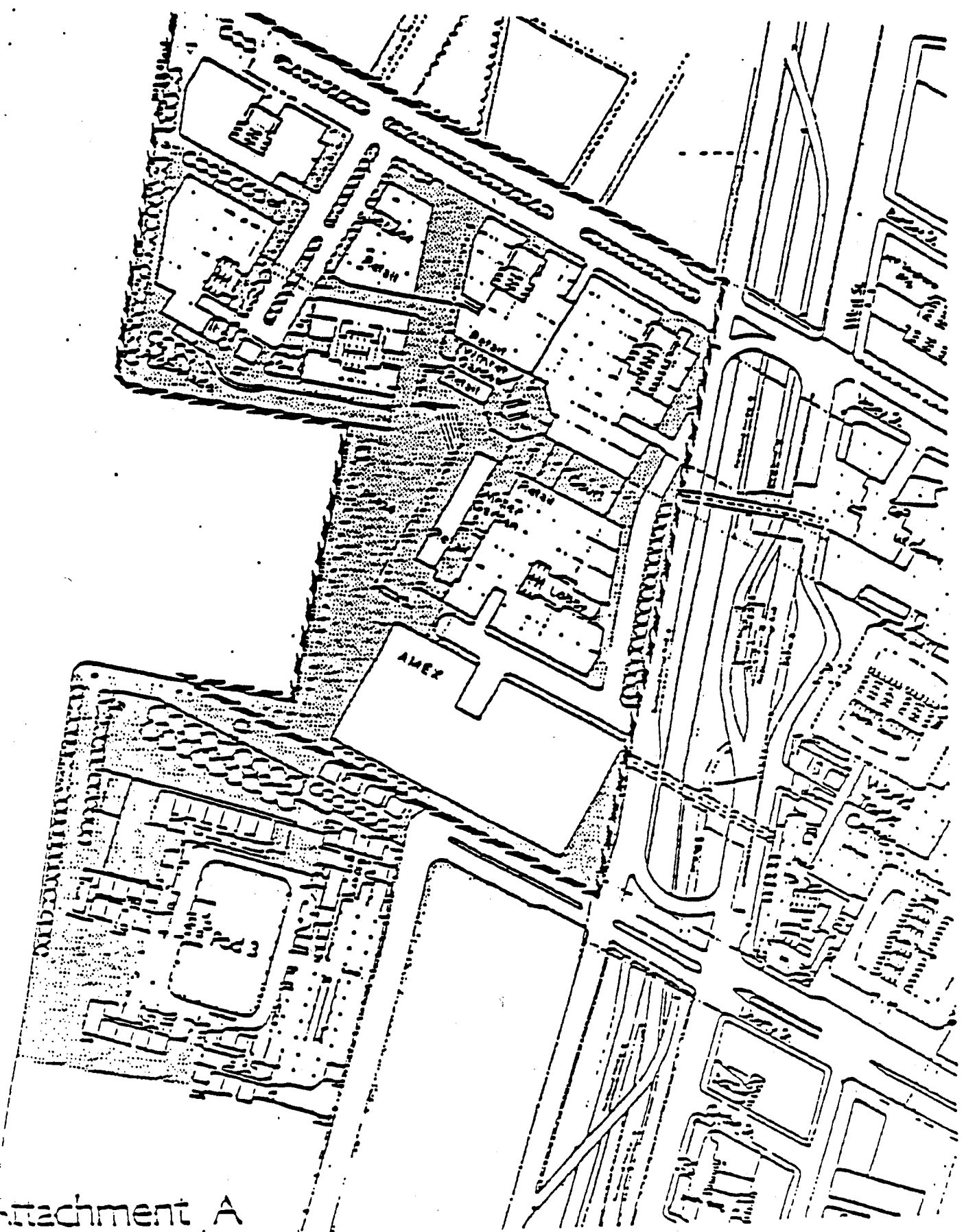
(5.2.6) Physically and visually uninterrupted access and egress, including access and egress for the handicapped, shall be provided through the open air courtyard to the public plaza and waterfront promenade or esplanade, to the south, and the extension of Vesey Street, to the north. The City Planning Commission, in its subsequent review, will be looking for adequate provision of access and appropriate signage, as specified in the June 15, 1981 Letter of Certification.

6. Site Boundary Alternative (See Attachment "C")

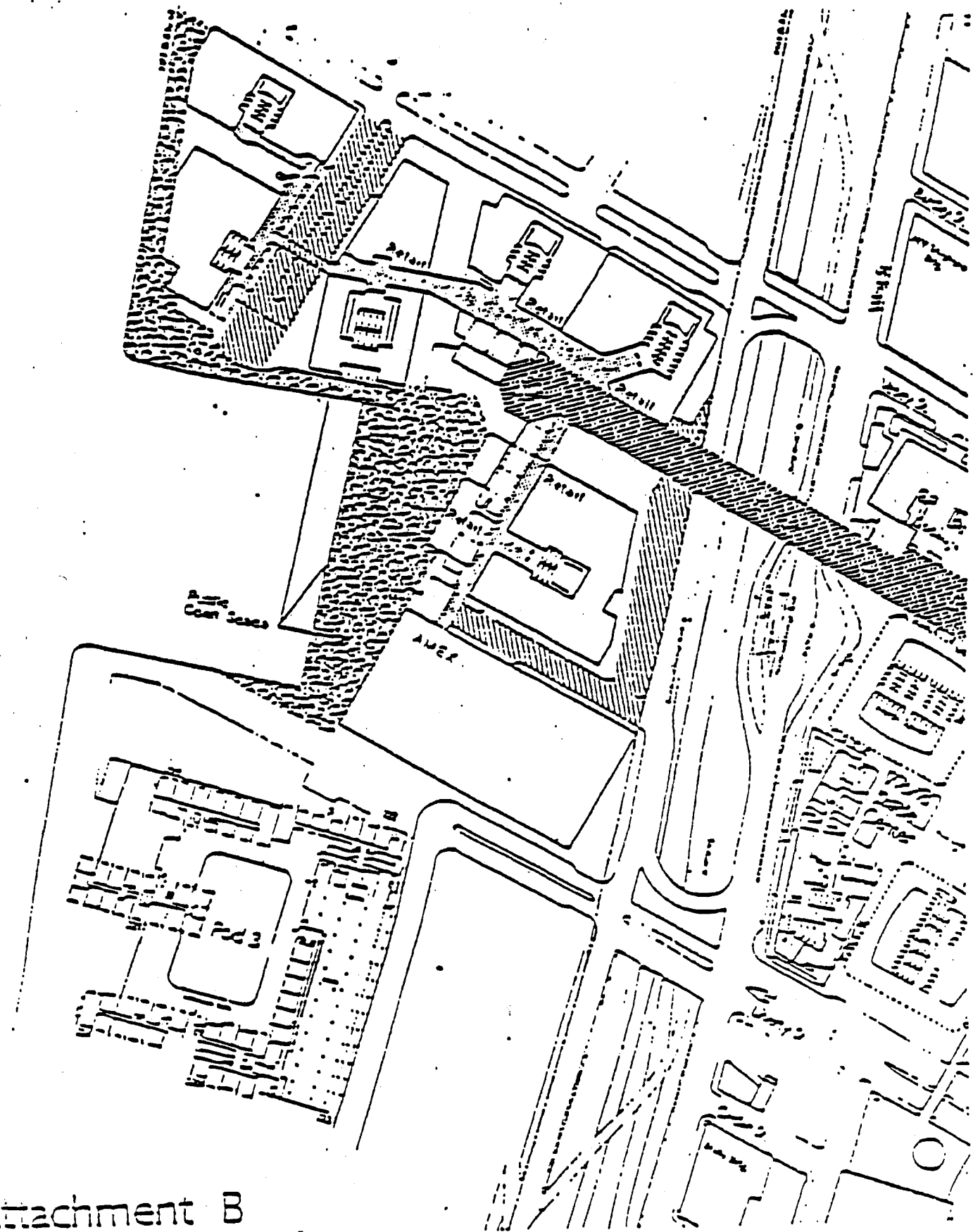
(6.1) In the event that waterfront portions of the site are developed for residential use, the site boundaries may be extended along West Street north of Vesey Street and south of Liberty Street as shown. Commercial development on these sites would be subject to the Large Scale Development Plan controls previously outlined.

7. Modifications to the Plan

(7.1) If BPCA wishes to make any major modifications to the Large Scale Development Plan, it shall submit the proposed major modifications to the New York City Planning Commission for review.



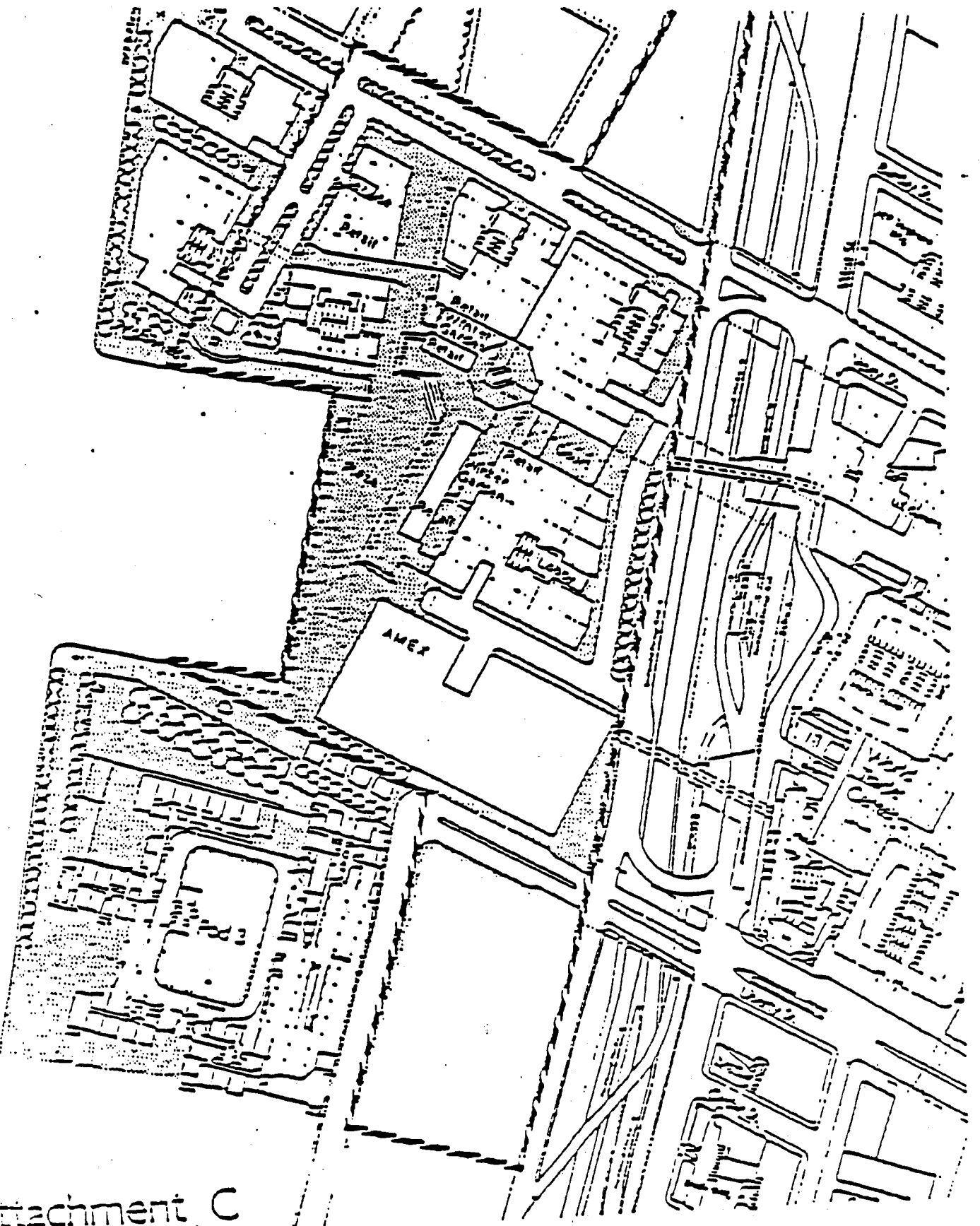
Attachment A
 Commercial Center
 First Level
 10000 1 1 1



Attachment B
Commercial Center
+32 Level

Attachment C
 Commercial Center
 Area Level
 2000 1 1 1

San Jose City - 1978 Master Plan
 Source: City of San Jose



1.4.

33009

ACI-56571

THIRD AMENDMENT TO RESTATED LEASE

Dated as of August 15, 1986

B-23

RECORD AND RETURN TO:

Ms. Cecilia Madden
Battery Park City Authority
One World Financial Center
New York, NY 10281

LOC. VER.
NY TAX MAP

Block 16 lot 1103
prem: Battery Park
City Authority
(NO STREET ADD)

24
FICOR TITLE GUARANTEE
39 BROADWAY
NEW YORK, N.Y. 10008

OFFICE OF CITY REGISTER
New York County
RECORDED
Witness my hand
and official seal

Jay A. Brown
CITY REGISTER

1.

THIRD AMENDMENT TO RESTATED AMENDED LEASE, made as of the 15th day of August, 1986, between BATTERY PARK CITY AUTHORITY ("Landlord"), a public benefit corporation of the State of New York, as landlord under the Restated Amended Lease (as hereinafter defined) and BATTERY PARK CITY AUTHORITY ("Tenant"), a public benefit corporation of the State of New York, as tenant under the Restated Amended Lease.

WHEREAS, Landlord and Tenant are parties to the Restated Amended Agreement of Lease, dated June 10, 1980 (the "Restated Amended Lease"), and have amended such lease by First Amendment to Restated Amended Lease, made as of June 15, 1983, and by Second Amendment to Restated Amended Lease, made as of June 15, 1983 (the Restated Amended Lease as amended by the aforesaid amendments, to be hereinafter referred to as the "Lease");

WHEREAS, the Governor (the "Governor") of the State of New York, the Mayor (the "Mayor") of The City of New York (the "City"), Tenant, and Landlord in its capacity as successor to the title and interest of New York State Urban Development Corporation ("UDC") in the Project Area (as the term "Project Area" is defined and more particularly described in the Lease), have entered into the 1986 Supplemental Memorandum of Understanding, dated as of August 15, 1986 (the "1986 Supplemental Memorandum"); and

WHEREAS, the 1986 Supplemental Memorandum supplements and otherwise modifies the Memorandum of Understanding referred to in Section 24.01 of the Lease (the "1979 Memorandum"); and

2.

WHEREAS, the parties to the Settlement Agreement (as the term "Settlement Agreement" is defined in Section 24.01 of the Lease) have amended the Settlement Agreement by Amendment to Settlement Agreement, dated August 15, 1986 (the "Amendment to Settlement Agreement"), in order to make such Settlement Agreement consistent with the 1986 Supplemental Memorandum; and

WHEREAS, it is the desire of the Landlord and Tenant to amend the Lease for the purpose of making the Lease consistent with the 1986 Supplemental Memorandum and Amendment to Settlement Agreement;

NOW, THEREFORE, Landlord and Tenant, in consideration of the agreements contained herein, hereby amend the Lease as follows:

1. Amendment of Section 1.01. Section 1.01 of the Lease is amended by adding new paragraph 1.01(ss) thereto, reading as follows:

"(ss) "Excluded Sites," Parcels identified as Site 4, Site 10, Site 11 and the Holocaust Museum Site, on the map, which is attached hereto and made a part hereof as "Schedule C".

2. Amendment of Section 4.01.B. Section 4.01.B of the Lease is amended by (i) inserting the word "and" immediately before clause (f) of the first sentence thereof, and (ii) inserting a period after the words "as amended" in said clause (f) and (iii) deleting the remainder of said sentence.

3.

Section 4.01.B. of the Lease is further amended by adding the following at the end thereof:

In addition, on the first day of each month, Tenant also shall pay to Landlord, as additional rent hereunder, all of the rents, issues, profits, revenue and income (determined on a cash basis) derived from the Project Area during the then current fiscal year of Tenant in excess of all obligations incurred or to be incurred by Tenant with respect to the Project Area for such fiscal year, including, without limitation, those listed in (a)-(f) of this Section 4.01.B. Any amount paid as additional rent pursuant to the preceding sentence shall be deducted from the amount due as the annual payment of additional rent for such fiscal year referred to in the first sentence of this Section 4.01.B. Any overpayment shall be adjusted by reducing the amounts due pursuant to the second sentence of this Section 4.01.B.

3. Amendment of Section 4.02. Section 4.02 is amended by renumbering such section as "SECTION 4.02.A.", and by deleting therefrom the first four lines thereof and substituting therefor the following:

SECTION 4.02.A. Each Basic Sublease which (y) was originally entered into prior to October 30, 1985, or (z) is (and only to the extent that it is) the lease of an Excluded Site, shall provide for the payment to Tenant of a net annual basic rent which shall not be less than the following amounts with respect to the respective parcels described below:

4. Amendment of Article IV. Article IV of the Lease is amended by adding new section "SECTION 4.02.B", which new section shall be as follows:

SECTION 4.02.B. Any Basic Sublease which does not fall within one of the categories described in Section 4.02.A (y) or (z) hereof shall provide for the payment to Tenant of a net annual basic rent which shall not be less than the following:

4.

(a) The Basic Subleases referred to in this Section 4.02.B shall provide for the payment to Tenant of a net annual basic rent which shall be the same as the net annual basic rent to be paid to Tenant pursuant to the Basic Subleases referred to in Section 4.02.A hereof, except as provided in paragraph (b) immediately following.

(b) Such Basic Subleases shall require and provide that net annual basic rent include a payment equal to Tax Equivalent, as such amount may be modified from time to time by a tax abatement which is agreed upon by both the City and Tenant, but in no event shall such amount be less than the amount that would have been payable had such Basic Sublease been subject to Section 4.02.A. hereof.

5. Amendment of Section 4.03. Section 4.03 is amended by deleting the text of such section and substituting therefor the following:

SECTION 4.03. The rents, issues, profits, revenue and income (from sale, rental, condemnation or any source whatsoever) derived from the Project Area by Tenant, in its capacity as Tenant, and any funds borrowed by Tenant, in its capacity as Tenant, shall not be used for any purpose, except: (i) as contemplated by this Lease, or (ii) with respect to the Project Area. The foregoing shall not restrict the use of any amounts received by the Landlord in its capacity as Landlord.

6. Amendment of Section 24.01. Section 24.01 is amended by deleting the text of such section and substituting therefor the following:

SECTION 24.01. All amendments of this Lease shall be consistent with the terms of the following: (x) the Memorandum of Understanding, dated November 8, 1979, among the Governor of the State of New York, the Mayor of the City, and the President and Chief Executive Officer of New York State Urban Development Corporation and Tenant; (y) the 1986 Supplemental Memorandum of Understanding,

dated August __, 1986, among the Governor of the State of New York, the Mayor of the City, the Tenant, and the Landlord, in its capacity as successor to the title and interest of New York State Urban Development Corporation and BPC Development Corporation in the Project Area, such supplemental memorandum being a supplement to and modification of the memorandum described in clause (x) immediately preceding; and (z) the Settlement Agreement, dated as of June 6, 1980 between the City and UDC, as amended by Amendment to Settlement Agreement, dated August __, 1986, between the City and the Authority (the "Settlement Agreement"). Except with respect to the Third Amendment to Restated Amended Lease, Tenant shall notify the Mayor of the City of any proposed amendment of this Lease, and for a period of not in excess of sixty (60) days ~~after~~ such notice shall have been given (and before any such amendment is made), Landlord and Tenant shall consult with the Mayor in respect thereof.

7. Amendment of Section 24.02. Section 24.02 of the Lease is hereby amended to delete the words "Landlord hereby waives" which begin said Section and substituting in their place the words "The City of New York has heretofore waived".

8. Amendment of Section 24.03. Section 24.03 is amended by deleting such section and substituting therefor the following:

Section 24.03. A. Tenant understands that Landlord's predecessor in interest, UDC, pursuant to the terms of the Settlement Agreement (which Agreement is binding upon Landlord) has agreed that the City shall have the right to reacquire, for one dollar (\$1.00) and Tenant further understands that Landlord will reconvey to the City, all of its right, title and interest in and to the Project Area, subject to the then status of title, including any and all then existing leases, subleases, tenancies, subtenancies, occupancies, franchises, licenses and permits, upon sixty (60) days' prior written notice of election to exercise said right

6.

given by the City within eighteen (18) months after the receipt of notice by the City of the date upon which all Bonds and other indebtedness incurred by Authority (including but not limited to (i) all Bonds outstanding under the Resolution, (ii) any indebtedness issued or to be issued under Sections 1974-c or 1977-a(i) of the Battery Park City Authority Act, (iii) any other amounts which may be due under any resolution or other document authorizing any of such Bonds or other indebtedness referred to in (i) and (ii) above, (iv) all advances made by the State of New York to the Authority and (v) all obligations of the Authority with respect to pledges, assignments or dedications by the Authority to secure any indebtedness issued by the Housing New York Corporation or any other entity) (collectively, the "Indebtedness") shall have been paid or repaid in full, but in no event until after midnight of December 31, 1999. The Authority shall give notice to the City not later than one (1) year after the Indebtedness is so repaid, which notice shall contain a copy of paragraph 7 of the Settlement Agreement.

B. Upon such reconveyance, unless as hereinafter provided the City shall request that Tenant assign all of its right, title and interest in and to this Lease to the City, this Lease shall terminate with the same force and effect as though the date of such reconveyance were the Expiration Date. The City shall have the right to request that Tenant assign all of its right, title and interest in and to this Lease to the City by written notice to Tenant given simultaneously with the notice given to Landlord as provided in Paragraph A of this Section 24.03; in such event, Tenant shall, simultaneously with such reconveyance by Landlord, assign all of its right, title and interest to this Lease to the City. Upon such reconveyance by Landlord, Tenant also shall transfer to the City all of the net assets of Tenant, i.e. those remaining after satisfaction of, or provision for, its contract obligations and contingent and other liabilities and the City shall either (i) assume or cause to be assumed any remaining obligations of the Authority including, but not limited to any obligations with respect to the Authority's POD III Housing Revenue Bonds (FHA-Insured Mortgage) originally issued in the aggregate principal amount of \$95,315,000, its 1982 POD III Housing Revenue Bonds (FHA-Insured Mortgage) originally issued in the aggregate principal amount of \$9,270,000 and its POD III Housing Revenue Bonds, Series 1984 (FHA-Insured Mortgage) originally issued in the aggregate principal

amount of \$12,460,000 or (ii) pay, or provide for the payment when due of, such obligations.

C. Landlord and Tenant agree that the City shall have the right, subject to the relevant provisions of the resolutions or other documents authorizing the Indebtedness to repay the Indebtedness by (a) depositing monies with the trustee or trustees or other appropriate party under the resolution or other documents authorizing such Indebtedness in an amount sufficient to defease or make full and complete redemption or prepayment of all Bonds, indebtedness or other obligations then outstanding in accordance with their terms, together with an opinion of the Corporation Counsel of the City stating that the City has the power and is duly authorized to expend monies for such purpose, has duly appropriated such monies therefor and has the power and is duly authorized to make such deposit, and (b) delivering to the Comptroller of the State of New York an amount sufficient to make full reimbursement of all advances made by the State of New York to the Authority, together with an opinion of the Corporation Counsel of the City stating that the City has the power and is duly authorized to expend monies for such purpose, has duly appropriated such monies therefor and has the power and is duly authorized to make such deposit.

D. The City is hereby made a third party beneficiary of the covenants set forth in this Section 24.03.

9. Amendment of Section 24.04. Section 24.04 of the Lease is amended by deleting such section and substituting therefor the following:

SECTION 24.04. Landlord understands that Landlord's predecessor in interest, UDC, pursuant to the terms of the Settlement Agreement prior to its amendment by the Amendment to Settlement Agreement, assigned to Tenant all of UDC's right, title and interest in and to, and its right to receive payments from, the City Rent Fund (as that term is defined in the Resolution). Landlord and Tenant agree that notwithstanding such assignment, Tenant shall make the basic rent and additional rent payments to Landlord in the amounts and at the times specified in Section 4.01 hereof and that Landlord shall be entitled to receive such payments

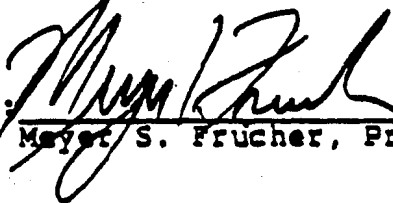
from amounts held in the City Rent Fund. The City is hereby made a third-party beneficiary of the agreements and understandings set forth in this Section 24.04.

10. Amendment of Lease. The Lease is amended by adding to it "SCHEDULE C - EXCLUDED SITES", such schedule being set forth in Exhibit A which is attached hereto and made a part hereof.

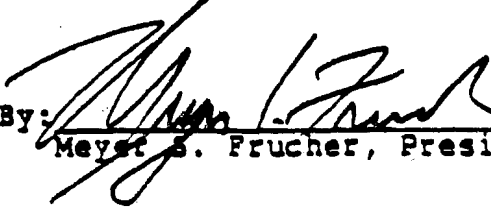
11. Ratification of Lease. The Lease, as amended by this Third Amendment to Restated Amended Lease, is in all respects ratified and confirmed.

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Third Amendment to Restated Amended Lease as of the day and year first above written.

BATTERY PARK CITY AUTHORITY,
Landlord

By: 
Meyer S. Frucher, President

BATTERY PARK CITY AUTHORITY,
Tenant

By: 
Meyer S. Frucher, President

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

On the 19th day of August, 1986, before me personally came Meyer S. Frucher, to me known, who, being by me duly sworn, did depose and say that he resides at 324 W. 101st. Street, New York, New York; that he is the President and Chief Executive Officer of Battery Park City Authority, the Authority described in and which executed the foregoing instrument; that he knows the seal of said Authority; that the seal affixed to said instrument is such Authority's seal; that it was so affixed by orders of said Authority, and that he signed his name thereto by like order.

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

Cecilia Madden
Notary Public
CECILIA MADDEN
 Notary Public, State of New York
 No. 104691371
 Qualified in Nassau County
 Cert. Filed in New York County
 Commission Expires March 10, 1987

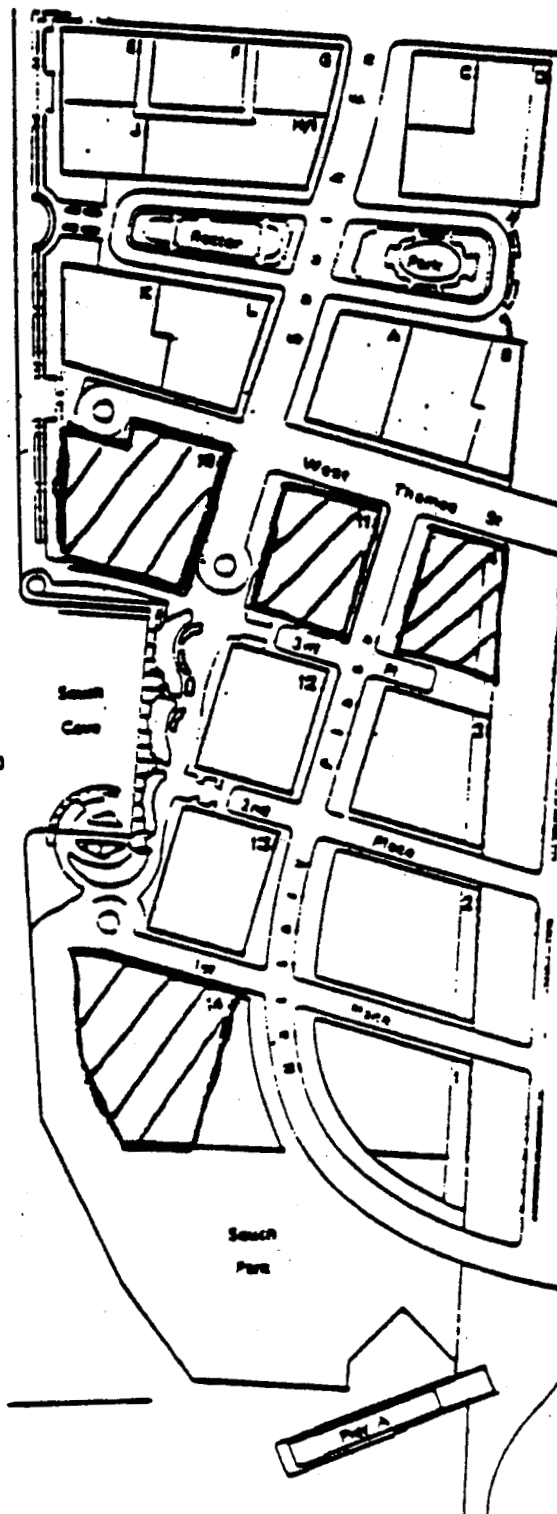
On the 19th day of August 1986, before me personally came Meyer S. Frucher, to me known, who, being by me duly sworn, did depose and say that he resides at 324 W. 101st., New York, New York; that he is the President and Chief Executive Officer of Battery Park City Authority, the Authority described in and which executed the foregoing instrument; that he knows the seal of said Authority; that the seal affixed to said instrument is such Authority's seal; that it was so affixed by orders of said Authority; and that he signed his name thereto by like order.

Cecilia Madden
Notary Public

CECILIA MADDEN
Notary Public, State of New York
No. 384698371
Qualified in Nassau County
Cert. Filed in New York County
Commission Expires March 30, 1987

Exhibit A

EXCLUDED SITES ARE THOSE INDICATED WITH
CROSS HATCHING



347 EHS

EXHIBIT "A"

ALL that certain parcel of land lying and being in the City, County and State of New York described as follows:

BEGINNING at a point in the United States Bulkhead Line approved by the Secretary of War July 31, 1941, which line is also the westerly line of Marginal Street, Wharf or Place, where the same is intersected by the northeasterly corner of Lot #10, Block 130 on the Tax Maps for the City of New York, borough of Manhattan, said point of beginning having a coordinate of north 6768.908 west 11167.761; running thence

1. south 71° 05' 20" west, along the northerly line of said Lot #10, 975.36 feet to a point in the United States Pierhead Line approved by the Secretary of War July 31, 1941. Thence southward along said United States Pierhead Line, the following courses and distances:
 2. south 21° 11' 33" east, 2845.36 feet; thence
 3. south 18° 14' 10" east, 1913.88 feet; thence
 4. south 19° 08' 49" east, 100.08 feet to the intersection of the above described United States Pierhead Line with the United States Pierhead Line approved by the Secretary of War 1936; running thence
 5. south 61° 08' 00" east, along said last-mentioned United States Pierhead Line, 147.06 feet; thence
 6. north 77° 35' 20" east, 231.35 feet; thence
 7. north 12° 24' 40" west, 33.92 feet; thence
 8. north 34° 49' 00" east, 171.52 feet to a point in the United States Bulkhead Line; thence
 9. north 12° 24' 40" west, along the United States Bulkhead Line approved by the Secretary of War July 31, 1941, 264.69 feet, thence northward along the said United States Bulkhead Line approved by the Secretary of War July 31, 1941, which line is also the westerly line of Marginal Street, Wharf or Place, the following courses and distances:
 10. north 11° 26' 13" west, 318.56 feet; thence
 11. north 12° 14' 40" west, 24.60 feet; thence

12. north 12° 23' 50" west, 670.02 feet; thence
 13. north 12° 27' 48" west, 43.78 feet; thence
 14. north 12° 19' 30" west, 308.98 feet; thence
 15. north 12° 49' 20" west, 30.29 feet; thence
 16. north 12° 26' 10" west, 117.35 feet; thence
 17. north 12° 49' 06" west, 54.54 feet; thence
 18. north 12° 19' 00" west, 160.79 feet; thence
 19. north 11° 53' 14" west, 51.60 feet; thence
 20. north 11° 48' 10" west, 104.47 feet; thence
 21. north 16° 41' 08" west, 50.95 feet; thence
 22. north 16° 57' 30" west, 209.98 feet; thence
 23. north 16° 52' 39" west, 93.66 feet; thence
 24. north 16° 49' 40" west, 196.94 feet; thence
 25. north 16° 42' 43" west, 86.89 feet; thence
 26. north 18° 36' 20" west, 75.17 feet; thence
 27. north 19° 12' 20" west, 63.63 feet; thence
 28. north 18° 59' 34" west, 59.03 feet; thence
 29. north 18° 49' 40" west, 187.30 feet; thence
 30. north 18° 34' 07" west, 59.49 feet; thence
 31. north 18° 56' 00" west, 212.36 feet; thence
 32. north 18° 49' 55" west, 67.12 feet; thence
 33. north 18° 47' 10" west, 187.86 feet; thence
 34. north 18° 21' 20" west, 69.61 feet; thence
 35. north 18° 53' 14" west, 165.43 feet; thence
 36. north 18° 38' 13" west, 69.46 feet; thence
 37. north 18° 42' 43" west, 445.45 feet; thence
 38. north 19° 10' 32" west, 69.63 feet; thence
 39. north 18° 36' 00" west, 33.07 feet; thence
 40. north 18° 25' 30" west, 64.49 feet; thence
 41. north 18° 50' 35" west, 69.39 feet; thence
 42. north 19° 00' 53" west, 64.89 feet; thence
 43. north 18° 40' 46" west, 155.79 feet to the
 point or place of BEGINNING.

The area contained within the lines described
 above is 4,444,419 square feet. The bearings and
 coordinates used herein refer to the system used
 for the Borough Survey, Borough President's
 Office, Manhattan.

1.5.



1000

FOURTH LEASE AMENDMENT

Dated as of May 25, 1990

RECORD AND RETURN TO:

Gerard Geary, Esq.
Battery Park City Authority
One World Financial Center
New York, NY 10281

BLOCK 16, LOT 3

B-27-

LOC. VER.
EX ADDRESS

O-CONV

BATTERY PARK CITY AUTHORITY

JUN 11 1990

OFFICE OF THE GENERAL COUNSEL

NEW YORK OFFICE

1990 MAY 30 P 2:31

Fourth Lease Amendment

FOURTH LEASE AMENDMENT TO RESTATED AMENDED LEASE, made as of the ~~15th~~ day of May, 1990, between BATTERY PARK CITY AUTHORITY ^{Financial Center, 102} a public benefit corporation of the State of New York, as landlord (the "Landlord") under the Restated Amendment of Lease, dated June 10, 1980, as amended by the First Amendment to Restated Amended Lease and the Second Amendment to Restated Amended Lease, each made as of June 15, 1983, and the Third Amendment to Restated Amended Lease, made as of the 15th day of August, 1986 (the Restated Amended Lease as amended by the aforesaid amendments, to be hereinafter referred to as the "Lease") and BATTERY PARK CITY AUTHORITY, ^{One World Financial Center, N.Y., N.Y. 10281-1} as tenant (the "Tenant") thereunder.

WHEREAS, Section 24.03 of the Restated Amendment of Lease was amended by paragraph numbered 8 of the Third Amendment to Restated Amended Lease referenced above, by the substitution, among others, of a new paragraph A of Section 24.03 thereof.

WHEREAS, Battery Park City Authority has been authorized pursuant to Chapter 105 of the 1990 Laws of the State of New York to issue certain bonds (the "1990 Bonds") for the purpose of making a payment to The City of New York (the "City").

WHEREAS, Tenant understands that the Landlord has agreed that the City shall have the right to reacquire all of its right, title and interest in and to the Project Area (as defined in the Restated Amendment of Lease) subject to certain conditions, including the payment of certain obligations of the Battery Park City Authority;

NOW, THEREFORE, Landlord and Tenant, in consideration of the foregoing and the agreements contained herein, hereby amend the Lease as follows:

1. Amendment of paragraph A of Section 24.03. The first sentence of paragraph A of Section 24.03 is hereby amended by including in clause (ii) thereof the following underscored words:

(ii) any indebtedness issued or to be issued under Section 1974-c or 1977-a(1) of the Battery Park City Authority Act or under Chapter 105 of the Laws of 1990

2. Ratification of Lease. The Lease, as amended by this Fourth Amendment to Restated Amended Lease, is in all respects ratified and confirmed.

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Fourth amendment to Restated Amended Lease as of the day and year first above written.

BATTERY PARK CITY AUTHORITY,
as Landlord

By: David Emil
David Emil, President

BATTERY PARK CITY AUTHORITY,
as Tenant

By: David Emil
David Emil, President

STATE OF NEW YORK)
) SS:
 COUNTY OF NEW YORK)

On the 25 day of May 1990, before me personally came David Emil, to me known, who, being by me duly sworn, did depose and say that he resides at 67 Riverside Drive, New York, New York; that he is the President and Chief Executive Officer of Battery Park City Authority, the Authority described in and which executed the foregoing instrument as Landlord; that he knows the seal of said Authority; that the seal affixed to said instrument is such Authority's seal; that it was so affixed by orders of said Authority, and that he signed his name thereto by like order.


 GERARD GEARY
 NOTARY PUBLIC, State of New York
 No. 41-647577
 Qualified in Queens County
 Commission Expires March 30, 1990

STATE OF NEW YORK)
) SS:
 COUNTY OF NEW YORK)

On the 25 day of May 1990, before me personally came David Emil, to me known, who, being by me duly sworn, did depose and say that he resides at 67 Riverside Drive, New York, New York; that he is the President and Chief Executive Officer of Battery Park City Authority, the Authority described in and which executed the foregoing instrument as Tenant; that he knows the seal of said Authority; that the seal affixed to said instrument is such Authority's seal; that it was so affixed by orders of said Authority; and that he signed his name thereto by like order.

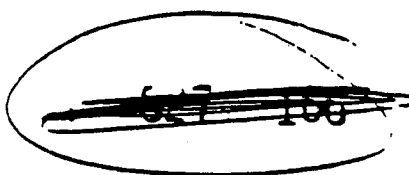

 GERARD GEARY
 NOTARY PUBLIC, State of New York
 No. 41-647577
 Qualified in Queens County
 Commission Expires March 30, 1990

EXHIBIT "A"

ALL that certain parcel of land lying and being in the City, County and State of New York described as follows:

BEGINNING at a point in the United States Bulkhead Line approved by the Secretary of War July 31, 1941, which line is also the westerly line of Marginal Street, Wharf or Place, where the same is intersected by the northeasterly corner of Lot #10, Block 130 on the Tax Maps for the City of New York, Borough of Manhattan, said point of beginning having a coordinate of north 6768.908 west 11167.761; running thence

1. south 71° 05' 20" west, along the northerly line of said Lot #10, 975.36 feet to a point in the United States Pierhead Line approved by the Secretary of War July 31, 1941. Thence southward along said United States Pierhead Line, the following courses and distances:
 2. south 21° 53' east, 2845.36 feet; thence
 3. south 18° 14' 10" east, 1913.88 feet; thence
 4. south 39° 08' 49" east, 300.08 feet to the intersection of the above described United States Pierhead Line with the United States Pierhead Line approved by the Secretary of War 1936; running thence
 5. south 61° 08' 00" east, along said last-mentioned United States Pierhead Line, 147.64 feet; thence
 6. north 77° 35' 20" east, 231.35 feet; thence
 7. north 12° 24' 40" west, 33.92 feet; thence
 8. north 54° 49' 00" east, 171.52 feet to a point in the United States Bulkhead Line; thence
 9. north 12° 24' 40" west, along the United States Bulkhead Line approved by the Secretary of War July 31, 1941, 264.69 feet, thence northward along the said United States Bulkhead Line approved by the Secretary of War July 31, 1941, which line is also the westerly line of Marginal Street, Wharf or Place, the following courses and distances:
 10. north 13° 26' 10" west, 518.56 feet; thence
 11. north 12° 14' 40" west, 24.60 feet; thence



12. north 12° 23' 50" west, 670.02 feet; thence
13. north 12° 27' 48" west, 43.78 feet; thence
14. north 12° 19' 30" west, 308.98 feet; thence
15. north 12° 49' 20" west, 30.29 feet; thence
16. north 12° 26' 10" west, 117.35 feet; thence
17. north 12° 49' 00" west, 54.54 feet; thence
18. north 12° 19' 00" west, 160.79 feet; thence
19. north 11° 53' 14" west, 51.60 feet; thence
20. north 13° 48' 10" west, 104.47 feet; thence
21. north 16° 41' 08" west, 50.95 feet; thence
22. north 16° 57' 30" west, 209.98 feet; thence
23. north 16° 52' 39" west, 93.66 feet; thence
24. north 16° 49' 40" west, 196.94 feet; thence
25. north 16° 42' 43" west, 86.89 feet; thence
26. north 18° 36' 20" west, 75.17 feet; thence
27. north 19° 12' 20" west, 63.63 feet; thence
28. north 18° 59' 34" west, 59.03 feet; thence
29. north 18° 49' 40" west, 187.30 feet; thence
30. north 18° 34' 07" west, 59.49 feet; thence
31. north 18° 56' 00" west, 212.36 feet; thence
32. north 18° 49' 55" west, 67.32 feet; thence
33. north 18° 47' 10" west, 187.86 feet; thence
34. north 18° 21' 20" west, 69.61 feet; thence
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36. north 18° 38' 13" west, 69.46 feet; thence
37. north 18° 42' 43" west, 445.45 feet; thence
38. north 19° 10' 32" west, 69.63 feet; thence
39. north 18° 36' 00" west, 33.07 feet; thence
40. north 18° 25' 30" west, 64.49 feet; thence
41. north 18° 50' 35" west, 69.39 feet; thence
42. north 19° 00' 53" west, 64.89 feet; thence
43. north 18° 40' 46" west, 155.79 feet to the
point or place of BEGINNING.

The area contained within the lines described above is 4,222,229 square feet. The bearings and coordinates used herein refer to the system used for the Borough Survey, Borough President's Office, Manhattan.

FIFTH AMENDMENT TO RESTATED AMENDED LEASE, made as of the first day of July, 2009, between BATTERY PARK CITY AUTHORITY, a public benefit corporation of the State of New York, as landlord ("Landlord") under the Restated Amendment of Lease, dated June 10, 1980, as amended by the First Amendment to Restated Amended Lease and the Second Amendment to Restated Amended Lease, each made as of June 15, 1983, the Third Amendment to Restated Amended Lease, made as of the 15th day of August, 1986 and the Fourth Lease Amendment to Restated Master Lease, made as of the 25th day of May, 1990 (the Restated Amended Lease as amended by the aforesaid amendments, to be hereinafter referred to as the "Lease") and BATTERY PARK CITY AUTHORITY, as tenant (the "Tenant") thereunder.

WHEREAS, Landlord and Tenant desire to amend the Lease with respect to the minimum net annual basic rent to be paid thereunder with respect to a particular Basic Sublease (as such term is defined therein);

NOW, THEREFORE, Landlord and Tenant hereby agree as follows:

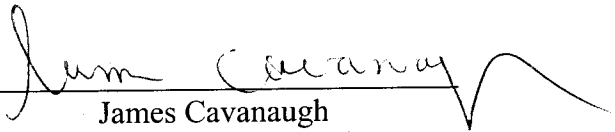
1. Article IV of the Lease is amended by adding a new SECTION 4.02.C, which new section shall be as follows:

SECTION 4.02.C. Notwithstanding any other provision of this Lease to the contrary, the net annual basic rent to be paid to Tenant with respect to the "demised premises" under that certain Indenture of Lease between Tenant as landlord and Hudson Towers Housing Co., Inc. as tenant (and as a subtenant under this Lease), dated as of June 30, 1980, as amended and assigned, for the period from July 1, 2023 through June 30, 2040, inclusive, may, if Tenant shall so determine, be eight and one eighth percent (.08125) of the rent collected by the tenant under such Indenture of Lease with respect to such demised premises, in accordance with amendments to such Indenture of Lease as may be executed by Tenant.

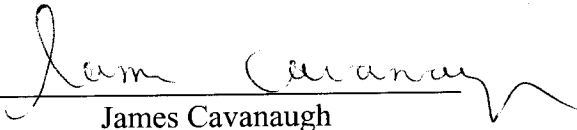
2. The Lease, as amended by this Fifth Amendment to Restated Lease, is in all respects ratified and confirmed.

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

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

By: 
James Cavanaugh
President and CEO

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

By: 
James Cavanaugh
President and CEO

STATE OF NEW YORK)

: SS.:

COUNTY OF NEW YORK)

On the 1st day of July in the year 2009 before me, the undersigned, a Notary Public in and from said State, personally appeared James Cavanaugh, personally known to me or 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 the behalf of whom the individual acted, executed the instrument.

Megan A Churnetski

Notary Public

STATE OF NEW YORK)

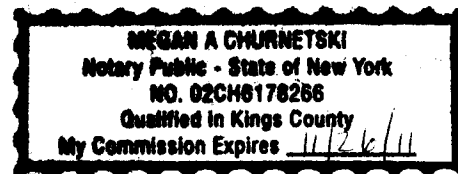
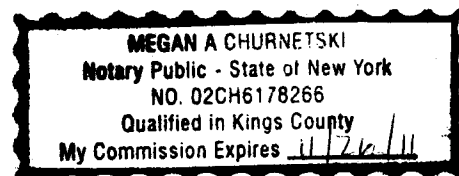
: SS.:

COUNTY OF NEW YORK)

On the 1st day of July in the year 2009 before me, the undersigned, a Notary Public in and from said State, personally appeared James Cavanaugh, personally known to me or 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 the behalf of whom the individual acted, executed the instrument.

Megan A Churnetski

Notary Public



SIXTH AMENDMENT TO RESTATED AMENDED LEASE, made as of the twenty-fourth day of November, 2009, between BATTERY PARK CITY AUTHORITY, a public benefit corporation of the State of New York, as landlord ("Landlord") under the Restated Amendment of Lease, dated June 10, 1980, as amended by the First Amendment to Restated Amended Lease and the Second Amendment to Restated Amended Lease, each made as of June 15, 1983, the Third Amendment to Restated Amended Lease, made as of the 15th day of August, 1986, the Fourth Lease Amendment to Restated Master Lease, made as of the 25th day of May, 1990 the Fifth Lease Amendment to Restated Master Lease, made as of the 1st day of July, 2009 (the Restated Amended Lease as amended by the aforesaid amendments, to be hereinafter referred to as the "Lease") and BATTERY PARK CITY AUTHORITY, as tenant (the "Tenant") thereunder.

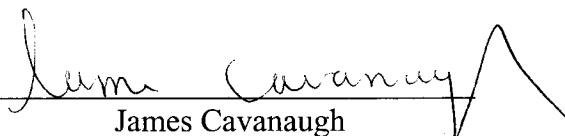
WHEREAS, Landlord and Tenant desire to amend the Lease as further provided herein;

NOW, THEREFORE, Landlord and Tenant hereby agree as follows:

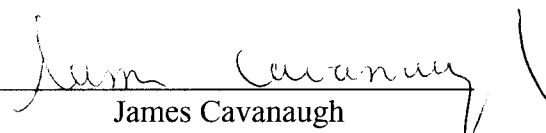
1. Article XIII of the Lease is amended by the deletion of the following phrase from Section 13.06: "or with respect to any Improvement for the Federal Reserve Bank of New York,".
2. The Lease, as amended by this Sixth Amendment to Restated Lease, is in all respects ratified and confirmed.

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

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

By: 
James Cavanaugh
President and CEO

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

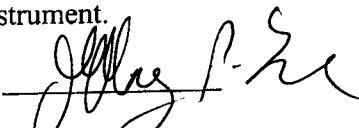
By: 
James Cavanaugh
President and CEO

STATE OF NEW YORK)

: ss.:

COUNTY OF NEW YORK)

On the 24 day of November in the year 2009 before me, the undersigned, a Notary Public in and from said State, personally appeared James Cavanaugh, personally known to me or 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 the behalf of whom the individual acted, executed the instrument.

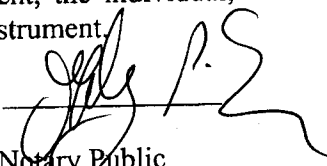

Notary Public

STATE OF NEW YORK)

: ss.:

COUNTY OF NEW YORK)

On the 24 day of November in the year 2009 before me, the undersigned, a Notary Public in and from said State, personally appeared James Cavanaugh, personally known to me or 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 the behalf of whom the individual acted, executed the instrument.


Notary Public

