

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report: October 23, 2002

SL GREEN REALTY CORP.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

Maryland
(STATE OF INCORPORATION)

1-13199
(COMMISSION FILE NUMBER)

13-3956775
(IRS EMPLOYER ID. NUMBER)

420 Lexington Avenue
New York, New York
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

10170
(ZIP CODE)

(212) 594-2700
(REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE)

ITEM 5.

On October 21, 2002 the Company issued a press release announcing its results for the third quarter ended September 30, 2002. The Company is attaching the press release as Exhibit 99.1 to this Current Report on Form 8-K.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

(c) EXHIBITS

- 10.1 First Amended and Restated Agreement of Limited Partnership of SL Green Operating Limited Partnership, L.P.
- 10.2 First Amendment to the First Amended and Restated Agreement of SL Green Operating Limited Partnership, L.P.
- 10.3 Modified Agreement of lease of Graybar Building dated December 30, 1957 between New York State Realty and Terminal Company with Webb & Knapp, Inc. and Graysler Corporation
- 10.4 Sublease between Webb & Knapp, Inc. and Graysler Corporation and Mary F. Finnegan dated December 30, 1957
- 10.5 Operating Lease between Mary F. Finnegan and Rose Iacovone dated December 30, 1957
- 10.6 Operating Sublease between Precision Dynamics Corporation and Graybar Building Company dated June 1, 1964
- 10.7 Employment and Non-competition Agreement among Stephen L. Green and the Company
- 10.8 Amended and Restated Employment and Non-competition Agreement among Marc Holliday and the Company
- 10.9 Employment and Non-competition Agreement among Michael Reid and the Company
- 10.10 Amended and Restated Employment and Non-competition Agreement among Gerard Nocera and the Company
- 10.11 Employment and Non-competition Agreement among Thomas E. Wirth and the Company
- 10.12 Revolving Secured Credit And Guaranty Agreement dated December 20, 2001

2

10.13 First Amendment to Revolving Credit And Guaranty Agreement dated March 30, 2001

99.1 Press Release

3

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SL GREEN REALTY CORP.

/S/ Thomas E. Wirth

Thomas E. Wirth
Executive Vice President, Chief Financial Officer

Date: October 23, 2002

**FIRST AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP
OF
SL GREEN OPERATING PARTNERSHIP, L.P.**

Dated as of August 20, 1997

TABLE OF CONTENTS

2

**EXHIBIT A
PARTNERS AND
PARTNERSHIP INTERESTS**

**EXHIBIT B
CAPITAL ACCOUNT MAINTENANCE**

**EXHIBIT C
SPECIAL ALLOCATION RULES**

**EXHIBIT D
NOTICE OF REDEMPTION**

**EXHIBIT E
VALUE OF CONTRIBUTED PROPERTY**

3

**FIRST AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP
OF
SL GREEN OPERATING PARTNERSHIP, L.P.**

THIS FIRST AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP, dated as of August 20, 1997, is entered into by and among SL Green Realty Corp., a Maryland corporation, as the General Partner of and a Limited Partner in the Partnership, and the Persons (as defined below) whose names are set forth on Exhibit A, as attached hereto (as it may be amended from time to time).

WHEREAS, the Partnership was formed on June 4, 1997, and, on June 11, 1997, the Partnership adopted an Agreement of Limited Partnership (the "Prior Agreement"); and

WHEREAS, the parties hereto will make certain capital contributions to the Partnership;

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby amend and restate the Prior Agreement in its entirety and agree to continue the Partnership as a limited partnership under the Delaware Revised Uniform Limited Partnership Act, as amended from time to time, as follows:

ARTICLE I.

DEFINED TERMS

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

"Act" means the Delaware Revised Uniform Limited Partnership Act, 6 Del. C. §17-101, et seq., as it may be amended from time to time, and any successor to such statute.

"Additional Limited Partner" means a Person admitted to the Partnership as a Limited Partner pursuant to Section 12.2 hereof and who is shown as such on the books and records of the Partnership.

"Adjusted Capital Account" means the Capital Account maintained for each Partner as of the end of each Partnership Year (i) increased by any amounts which such Partner is obligated to restore pursuant to any provision of this Agreement or is deemed to be obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5) and (ii) decreased by the items described in Regulations Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5) and 1.704-1(b)(2)(ii)(d)(6). The foregoing definition of Adjusted Capital Account is intended to comply with the provisions of Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

"Adjusted Capital Account Deficit" means, with respect to any Partner, the deficit balance, if any, in such Partner's Adjusted Capital Account as of the end of the relevant Partnership Year.

"Adjusted Property" means any property the Carrying Value of which has been adjusted pursuant to Exhibit B hereto.

"Adjustment Date" has the meaning set forth in Section 4.2.B hereof.

"Affiliate" means, with respect to any Person, (i) any Person directly or indirectly controlling, controlled by or under common control with such Person, (ii) any Person owning or controlling ten percent (10%) or more of the outstanding voting interests of such Person, (iii) any Person of which such Person owns or controls ten percent (10%) or more of the voting interests or (iv) any officer, director, general partner or trustee of such Person or any Person referred to in clauses (i), (ii), and (iii) above. For purposes of this definition, "control," when used with respect to any Person, means the

power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Agreed Value" means (i) in the case of any Contributed Property contributed to the Partnership as part of or in connection with the Consolidation, the amount set forth on Exhibit E attached hereto as the Agreed Value of such Property; (ii) in the case of any other Contributed Property, the 704(c) Value of such property as of the time of its contribution to the Partnership, reduced by any liabilities either assumed by the Partnership upon such contribution or to which such property is subject when contributed; and (iii) in the case of any property distributed to a Partner by the Partnership, the Partnership's Carrying Value of such property at the time such property is distributed, reduced by any indebtedness either assumed by such Partner upon such distribution or to which such property is subject at the time of distribution as determined under Section 752 of the Code and the Regulations thereunder.

"Agreement" means this First Amended and Restated Agreement of Limited Partnership, as it may be amended, supplemented or restated from time to time.

"Articles of Incorporation" means the Articles of Incorporation or other organizational document governing the General Partner, as amended or restated from time to time.

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

"Available Cash" means, with respect to any period for which such calculation is being made:

(a) all cash revenues and funds received by the Partnership from whatever source (excluding the proceeds of any Capital Contribution) plus the amount of any reduction (including, without limitation, a reduction resulting because the General Partner determines such amounts are no longer necessary) in reserves of the Partnership, which reserves are referred to in clause (b)(iv) below;

(b) less the sum of the following (except to the extent made with the proceeds of any Capital Contribution):

(i) all interest, principal and other debt payments made during such period by the Partnership,

(i) all cash expenditures (including capital expenditures) made by the Partnership during such period,

(ii) investments in any entity (including loans made thereto) to the extent that such investments are permitted under this Agreement and are not otherwise described in clauses (b)(i) or (ii), and

(iii) the amount of any increase in reserves established during such period which the General Partner determines is necessary or appropriate in its sole and absolute discretion.

Notwithstanding the foregoing, Available Cash shall not include any cash received or reductions in reserves, or take into account any disbursements made or reserves established, after commencement of the dissolution and liquidation of the Partnership.

"Book-Tax Disparities" means, with respect to any item of Contributed Property or Adjusted Property, as of the date of any determination, the difference between the Carrying Value of such Contributed Property or Adjusted Property and the adjusted basis thereof for federal income tax purposes as of such date. A Partner's share of the Partnership's Book-Tax Disparities in all of its

Contributed Property and Adjusted Property will be reflected by the difference between such Partner's Capital Account balance as maintained pursuant to Exhibit B hereto and the hypothetical balance of such Partner's Capital Account computed as if it had been maintained, with respect to each such Contributed Property or Adjusted Property, strictly in accordance with federal income tax accounting principles.

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

"Capital Account" means the Capital Account maintained for a Partner pursuant to Exhibit B hereto.

"Capital Contribution" means, with respect to any Partner, any cash, cash equivalents or the Agreed Value of Contributed Property which such Partner contributes or is deemed to contribute to the Partnership pursuant to Section 4.1 or 4.2 hereof.

"Carrying Value" means (i) with respect to a Contributed Property or Adjusted Property, the 704(c) Value of such property reduced (but not below zero) by all Depreciation with respect to such Contributed Property or Adjusted Property, as the case may be, charged to the Partners' Capital Accounts and (ii) with respect to any other Partnership property, the adjusted basis of such property for federal income tax purposes, all as of the time of determination. The Carrying Value of any property shall be adjusted from time to time in accordance with Exhibit B hereto, and to reflect changes, additions or other adjustments to the Carrying Value for dispositions and acquisitions of Partnership properties, as deemed appropriate by the General Partner.

"Cash Amount" means an amount of cash equal to the Value on the Valuation Date of the Shares Amount.

"Certificate" means the Certificate of Limited Partnership relating to the Partnership filed in the office of the Delaware Secretary of State on June 12, 1997, as amended from time to time in accordance with the terms hereof and the Act.

"Charter Documents" has the meaning set forth in Section 7.11.D hereof.

"Class A" has the meaning set forth in Section 5.1.C hereof.

"Class A Share" has the meaning set forth in Section 5.1.C hereof.

"Class A Unit" means any Partnership Unit that is not specifically designated by the General Partner as being of another specified class of Partnership Units.

"Class B" has the meaning set forth in Section 5.1.C hereof.

"Class B Share" has the meaning set forth in Section 5.1.C hereof.

"Class B Unit" means a Partnership Unit that is specifically designated by the General Partner as being a Class B Unit.

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

"Consent" means the consent or approval of a proposed action by a Partner given in accordance with Section 14.2 hereof.

"Consent of Certain Limited Partners" means Consent of the holders of 75% in the aggregate of the 673 First Avenue Units and the 470 Park Avenue South Units, collectively considered as one group.

6

"Consent of the Outside Limited Partners" means the Consent of Limited Partners (excluding for this purpose any Limited Partnership Interests held by the General Partner, any Person of which the General Partner owns or controls more than fifty percent (50%) of the voting interests and any Person owning or controlling, directly or indirectly, more than fifty percent (50%) of the outstanding voting interests of the General Partner) holding Percentage Interests that are greater than fifty percent (50%) of the aggregate Percentage Interest of all Limited Partners who are not excluded for the purposes hereof.

"Consolidation" means the transactions whereby the Partnership will acquire interests in certain office properties located in midtown Manhattan and certain property management and construction businesses, which provide services to those properties and to other properties in the New York metropolitan area, in exchange for Partnership Units upon completion of an initial public offering by S.L. Green Realty Corporation.

"Consolidation Transaction" has the meaning set forth in Section 7.11.C.(5) hereof.

"Contributed Property" means each property or other asset contributed to the Partnership, in such form as may be permitted by the Act, but excluding cash contributed or deemed contributed to the Partnership. Once the Carrying Value of a Contributed Property is adjusted pursuant to Exhibit B hereto, such property shall no longer constitute a Contributed Property for purposes of Exhibit B hereto, but shall be deemed an Adjusted Property for such purposes.

"Conversion Factor" means 1.0; provided that in the event that the General Partner Entity (i) declares or pays a dividend on its outstanding Shares in Shares or makes a distribution to all holders of its outstanding Shares in Shares, (ii) subdivides its outstanding Shares or (iii) combines its outstanding Shares into a smaller number of Shares, the Conversion Factor shall be adjusted by multiplying the Conversion Factor by a fraction, the numerator of which shall be the number of Shares issued and outstanding on the record date for such dividend, distribution, subdivision or combination (assuming for such purposes that such dividend, distribution, subdivision or combination has occurred as of such time) and the denominator of which shall be the actual number of Shares (determined without the above assumption) issued and outstanding on the record date for such dividend, distribution, subdivision or combination; and *provided, further* that in the event that an entity shall cease to be the General Partner Entity (the "Predecessor Entity") and another entity shall become the General Partner Entity (the "Successor Entity"), the Conversion Factor shall be adjusted by multiplying the Conversion Factor by a fraction, the numerator of which is the Value of one share of the Predecessor Entity, determined as of the time immediately prior to when the Successor Entity becomes the General Partner Entity, and the denominator of which is the Value of one Share of the Successor Entity determined as of that same date. (For purposes of the second proviso in the preceding sentence, in the event that any stockholders of the Predecessor Entity will receive consideration in connection with the transaction in which the Successor Entity becomes the General Partner Entity, the numerator in the fraction described above for determining the adjustment to the Conversion Factor (that is, the Value of one Share of the Predecessor Entity) shall be the sum of the greatest amount of cash and the fair market value of any securities and other consideration that the holder of one Share in the Predecessor Entity could have received in such transaction (determined without regard to any provisions governing fractional shares).) Any adjustment to the Conversion Factor shall become effective immediately after the effective date of such event retroactive to the record date, if any, for the event giving rise thereto; it being intended that (x) adjustments to the Conversion Factor are to be made in order to avoid unintended dilution or anti-dilution as a result of transactions in which Shares are issued, redeemed or exchanged without a corresponding issuance, redemption or exchange of Partnership Units and (y) if a Specified Redemption Date shall fall between the record date and the effective date of any event of the type described above, that the Conversion Factor applicable to such redemption shall be adjusted to take into account such event.

7

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

"Deemed Partnership Interest Value" means, as of any date with respect to any class of Partnership Interests, the Deemed Value of the Partnership Interest of such class multiplied by the applicable Partner's Percentage Interest of such class.

"Deemed Value of the Partnership Interest" means, as of any date with respect to any class of Partnership Interests, (a) if the shares of common stock (or other comparable equity interests) of the General Partner are Publicly Traded (i) the total number of shares of capital stock (or other comparable equity interest) of the General Partner corresponding to such class of Partnership Interest (as provided for in Section 4.2.B hereof) issued and outstanding as of the close of business on such date (excluding any treasury shares) multiplied by the Value of a share of such capital stock (or other comparable equity interest) on such date *divided by* (ii) the Percentage Interest of the General Partner in such class of Partnership Interests on such date, and (b) otherwise, the aggregate Value of such class of Partnership Interests determined as set forth in the fourth and fifth sentences of the definition of Value.

"Depreciation" means, for each fiscal year, an amount equal to the federal income tax depreciation, amortization, or other cost recovery deduction allowable with respect to an asset for such year, except that if the Carrying Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such year or other period, Depreciation shall be an amount which bears the same ratio to such beginning Carrying Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such year bears to such beginning adjusted tax basis; *provided, however*, that if the federal income tax depreciation, amortization, or other cost recovery deduction for such year is zero, Depreciation shall be determined with reference to such beginning Carrying Value using any reasonable method selected by the General Partner.

"Distribution Period" has the meaning set forth in Section 5.1.C hereof.

"Effective Date" means the date of the closing of the Consolidation.

"Equity Merger" has the meaning set forth in Section 7.11.D hereof.

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

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Exchanged Property" has the meaning set forth in Section 7.11.C hereof.

"470 Park South, L.P." means 470 Park Avenue South, L.P., a New York limited partnership.

"470 Park Avenue South Property" has the meaning set forth in Section 7.11.C hereof.

"470 Park Avenue South Units" has the meaning set forth in Section 7.11.C hereof.

"Funding Debt" means the incurrence of any Debt by or on behalf of the General Partner for the purpose of providing funds to the Partnership.

8

"General Partner" means S.L. Green Realty Corporation, a Maryland corporation, or its successors as general partner of the Partnership.

"General Partner Entity" means the General Partner; provided, however, that if (i) the shares of common stock (or other comparable equity interests) of the General Partner are at any time not Publicly Traded and (ii) the shares of common stock (or other comparable equity interests) of an entity that owns, directly or indirectly, fifty percent (50%) or more of the shares of common stock (or other comparable equity interests) of the General Partner are Publicly Traded, the term "General Partner Entity" shall refer to such entity whose shares of common stock (or other comparable equity securities) are Publicly Traded. If both requirements set forth in clauses (i) and (ii) above are not satisfied, then the term "General Partner Entity" shall mean the General Partner.

"General Partner Payment" has the meaning set forth in Section 15.14 hereof.

"General Partnership Interest" means a Partnership Interest held by the General Partner that is a general partnership interest. A General Partnership Interest may be expressed as a number of Partnership Units.

"IRS" means the Internal Revenue Service, which administers the internal revenue laws of the United States.

"Immediate Family" means, with respect to any natural Person, such natural Person's spouse, parents, descendants, nephews, nieces, brothers, and sisters.

"Incapacity" or "Incapacitated" means, (i) as to any individual Partner, death, total physical disability or entry by a court of competent jurisdiction adjudicating such Partner incompetent to manage his or her Partner or estate, (ii) as to any corporation which is a Partner, the filing of a certificate of dissolution, or its equivalent, for the corporation or the revocation of its charter, (iii) as to any partnership which is a Partner, the dissolution and commencement of winding up of the partnership, (iv) as to any estate which is a Partner, the distribution by the fiduciary of the estate's entire interest in the Partnership, (v) as to any trustee of a trust which is a Partner, the termination of the trust (but not the substitution of a new trustee) or (vi) as to any Partner, the bankruptcy of such Partner. For purposes of this definition, bankruptcy of a Partner shall be deemed to have occurred when (a) the Partner commences a voluntary proceeding seeking liquidation, reorganization or other relief under any bankruptcy, insolvency or other similar law now or hereafter in effect, (b) the Partner is adjudged as bankrupt or insolvent, or a final and nonappealable order for relief under any bankruptcy, insolvency or similar law now or hereafter in effect has been entered against the Partner, (c) the Partner executes and delivers a general assignment for the benefit of the Partner's creditors, (d) the Partner files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the Partner in any proceeding of the nature described in clause (b) above, (e) the Partner seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator for the Partner or for all or any substantial part of the Partner's properties, (f) any proceeding seeking liquidation, reorganization or other relief under any bankruptcy, insolvency or other similar law now or hereafter in effect has not been dismissed within one hundred twenty (120) days after the commencement thereof, (g) the appointment without the Partner's consent or acquiescence of a trustee, receiver or liquidator has not been vacated or stayed within ninety (90) days of such appointment or (h) an appointment referred to in clause (g) is not vacated within ninety (90) days after the expiration of any such stay.

"Indemnitee" means (i) any Person made a party to a proceeding or threatened with being made a party to a proceeding by reason of its status as (A) the General Partner, (B) a Limited Partner or (C) a director or officer of the Partnership or the General Partner and (ii) such other Persons (including Affiliates of the General Partner, a Limited Partner or the Partnership) as the General Partner may

9

designate from time to time (whether before or after the event giving rise to potential liability), in its sole and absolute discretion.

"Limited Partner" means any Person named as a Limited Partner in Exhibit A attached hereto, as such Exhibit may be amended and restated from time to time, or any Substituted Limited Partner or Additional Limited Partner, in such Person's capacity as a Limited Partner in the Partnership.

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

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

"Liquidating Transaction" has the meaning set forth in Section 7.11.C hereof.

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

"Net Income" means, for any taxable period, the excess, if any, of the Partnership's items of income and gain for such taxable period over the Partnership's items of loss and deduction for such taxable period. The items included in the calculation of Net Income shall be determined in accordance with Exhibit B hereto. If an item of income, gain, loss or deduction that has been included in the initial computation of Net Income is subjected to the special allocation rules in Exhibit C hereto, Net Income or the resulting Net Loss, whichever the case may be, shall be recomputed without regard to such item.

"Net Loss" means, for any taxable period, the excess, if any, of the Partnership's items of loss and deduction for such taxable period over the Partnership's items of income and gain for such taxable period. The items included in the calculation of Net Loss shall be determined in accordance with Exhibit B. If an item of income, gain, loss or deduction that has been included in the initial computation of Net Loss is subjected to the special allocation rules in Exhibit C hereto, Net Loss or the resulting Net Income, whichever the case may be, shall be recomputed without regard to such item.

"New Securities" means (i) any rights, options, warrants or convertible or exchangeable securities having the right to subscribe for or purchase shares of capital stock (or other comparable equity interest) of the General Partner, excluding grants under any Stock Option Plan, or (ii) any Debt issued by the General Partner that provides any of the rights described in clause (i).

"Nonrecourse Built-in Gain" means, with respect to any Contributed Properties or Adjusted Properties that are subject to a mortgage or negative pledge securing a Nonrecourse Liability, the amount of any taxable gain that would be allocated to the Partners pursuant to Section 2.B of Exhibit C hereto if such properties were disposed of in a taxable transaction in full satisfaction of such liabilities and for no other consideration.

"Nonrecourse Deductions" has the meaning set forth in Regulations Section 1.704-2(b)(1), and the amount of Nonrecourse Deductions for a Partnership Year shall be determined in accordance with the rules of Regulations Section 1.704-2(c).

"Nonrecourse Liability" has the meaning set forth in Regulations Section 1.752-1(a)(2).

"Notice of Redemption" means a Notice of Redemption substantially in the form of Exhibit D attached hereto.

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

10

"Partner Minimum Gain" means an amount, with respect to each Partner Nonrecourse Debt, equal to the Partnership Minimum Gain that would result if such Partner Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Regulations Section 1.704-2(i)(3).

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

"Partner Nonrecourse Deductions" has the meaning set forth in Regulations Section 1.704-2(i)(2), and the amount of Partner Nonrecourse Deductions with respect to a Partner Nonrecourse Debt for a Partnership Year shall be determined in accordance with the rules of Regulations Section 1.704-2(i)(2).

"Partnership" means the limited partnership formed under the Act and continued upon the terms and conditions set forth in this Agreement, and any successor thereto.

"Partnership Interest" means a Limited Partnership Interest or the General Partnership Interest and includes any and all benefits to which the holder of such a Partnership Interest may be entitled as provided in this Agreement, together with all obligations of such Person to comply with the terms and provisions of this Agreement. A Partnership Interest may be expressed as a number of Partnership Units.

"Partnership Minimum Gain" has the meaning set forth in Regulations Section 1.704-2(b)(2), and the amount of Partnership Minimum Gain, as well as any net increase or decrease in Partnership Minimum Gain, for a Partnership Year shall be determined in accordance with the rules of Regulations Section 1.704-2(d).

"Partnership Record Date" means the record date established by the General Partner either (i) for the distribution of Available Cash pursuant to Section 5.1 hereof, which record date shall be the same as the record date established by the General Partner Entity for a distribution to its stockholders of some or all of its portion of such distribution received by the General Partner if the shares of common stock (or comparable equity interests) of the General Partner Entity are Publicly Traded, or (ii) if applicable, for determining the Partners entitled to vote on or consent to any proposed action for which the consent or approval of the Partners is sought pursuant to Section 14.2 hereof.

"Partnership Unit" means a fractional, undivided share of the Partnership Interests of all Partners issued pursuant to, Sections 4.1 and 4.2 hereof, and includes Class A Units, Class B Units and any other classes or series of Partnership Units established after the date hereof. The number of Partnership Units outstanding and the Percentage Interests in the Partnership represented by such Partnership Units are set forth in Exhibit A hereto, as such Exhibit may be amended and restated from time to time. The ownership of Partnership Units may be evidenced by a certificate in a form approved by the General Partner.

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

"Percentage Interest" means, as to a Partner holding a class of Partnership Interests, its interest in such class, determined by dividing the Partnership Units of such class owned by such Partner by the total number of Partnership Units of such class then outstanding as specified in Exhibit A attached hereto, as such exhibit may be amended and restated from time to time, multiplied by the aggregate Percentage Interest allocable to such class of Partnership Interests. In the event that the Partnership shall at any time have outstanding more than one class of Partnership Interests, the Percentage Interest attributable to each class of Partnership Interests shall be determined as set forth in Section 4.2.B hereof.

"Person" means a natural person, partnership (whether general or limited), trust, estate, association, corporation, limited liability company, unincorporated organization, custodian, nominee or any other individual or entity in its own or any representative capacity.

"Predecessor Entity" has the meaning set forth in the definition of "Conversion Factors" herein.

11

"Publicly Traded" means listed or admitted to trading on the New York Stock Exchange, the American Stock Exchange or another national securities exchange or designated for quotation on the NASDAQ National Market, or any successor to any of the foregoing.

"Qualified REIT Subsidiary" means any Subsidiary of the General Partner that is a "qualified REIT subsidiary" within the meaning Section 856(i) of the Code.

"Recapture Income" means any gain recognized by the Partnership (computed without regard to any adjustment required by Section 743 of the Code) upon the disposition of any property or asset of the Partnership, which gain is characterized as ordinary income because it represents the recapture of deductions previously taken with respect to such property or asset.

"Redeeming Partner" has the meaning set forth in Section 8.6.A hereof.

"Redemption Amount" means either the Cash Amount or the Shares Amount, as determined by the General Partner in its sole and absolute discretion; provided that in the event that the Shares are not Publicly Traded at the time a Redeeming Partner exercises its Redemption Right the Redemption Amount shall be paid only in the form of the Cash Amount unless the Redeeming Partner, in its sole and absolute discretion, consents to payment of the Redemption Amount in the form of the Shares Amount. A Redeeming Partner shall have no right, without the General Partner's consent, in its sole and absolute discretion, to receive the Redemption Amount in the form of the Shares Amount.

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

"Regulations" means the Income Tax Regulations promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

"REIT" means a real estate investment trust under Section 856 of the Code.

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

"Replacement Property" has the meaning set forth in Section 7.11.C hereof.

"Residual Gain" or "Residual Loss" means any item of gain or loss, as the case may be, of the Partnership recognized for federal income tax purposes resulting from a sale, exchange or other disposition of Contributed Property or Adjusted Property, to the extent such item of gain or loss is not allocated pursuant to Section 2.B.1(a) or 2.B.2(a) of Exhibit C hereto to eliminate Book-Tax Disparities.

"Safe Harbor" has the meaning set forth in Section 11.6.F hereof.

"Securities Act" means the Securities Act of 1933, as amended.

"704(c) Value" of any Contributed Property means the fair market value of such property at the time of contribution as determined by the General Partner using such reasonable method of valuation as it may adopt. Subject to Exhibit B hereto, the General Partner shall, in its sole and absolute discretion, use such method as it deems reasonable and appropriate to allocate the aggregate of the 704(c) Values of Contributed Properties in a single or integrated transaction among each separate property on a basis proportional to their fair market values. The 704(c) Values of the Contributed Properties contributed to the Partnership as part of or in connection with the Consolidation are set forth on Exhibit E attached hereto.

"Share" means a share of capital stock (or other comparable equity interest) of the General Partner Entity. Shares may be issued in one or more classes or series in accordance with the terms of the Articles of Incorporation (or, if the General Partner is not the General Partner Entity, the organizational documents of the General Partner Entity). In the event that there is more than one class or series of Shares, the term "Shares" shall, as the context requires, be deemed to refer to the class or series of Shares that correspond to the class or series of Partnership Interests for which the reference

12

to Shares is made. When used with reference to Class A Units, the term "Shares" refers to shares of common stock (or other comparable equity interest) of the General Partner Entity.

"Shares Amount" means a number of Shares equal to the product of the number of Partnership Units offered for redemption by a Redeeming Partner times the Conversion Factor; provided that, in the event the General Partner Entity issues to all holders of Shares rights, options, warrants or convertible or exchangeable securities entitling such holders to subscribe for or purchase Shares or any other securities or property (collectively, the "rights"), then the Shares Amount for any Partnership Units outstanding prior to the issuance of such rights shall also include such rights that a holder of that number of Shares would be entitled to receive; and provided, further that, the Shares Amount shall be adjusted pursuant to Section 7.5 hereof in the event that the General Partner acquires material assets other than on behalf of the Partnership.

"673 First Avenue Property" has the meaning set forth in Section 7.11.C hereof.

"673 First Avenue Realty Company" means 673 First Realty Company, a New York general partnership.

"673 First Avenue Units" has the meaning set forth in Section 7.11.C hereof.

"Specified Redemption Date" means the tenth Business Day after receipt by the General Partner of a Notice of Redemption; provided that, if the Shares are not Publicly Traded, the Specified Redemption Date means the thirtieth Business Day after receipt by the General Partner of a Notice of Redemption.

"Stock Option Plan" means any stock incentive plan of the General Partner, the Partnership or any Affiliate of the Partnership or the General Partner.

"Subsidiary" means, with respect to any Person, any corporation, limited liability company, partnership or joint venture, or other entity of which a majority of (i) the voting power of the voting equity securities or (ii) the outstanding equity interests is owned, directly or indirectly, by such Person.

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

"Successor Entity" has the meaning set forth in the definition of "Conversion Factor" herein.

"Successor Partnership" has the meaning set forth in Section 7.11.C hereof.

"Tenant" means any tenant from which the General Partner derives rent, either directly or indirectly through partnerships, including the Partnership, or through any Qualified REIT Subsidiary.

"Terminating Capital Transaction" means any sale or other disposition of all or substantially all of the assets of the Partnership for cash or a related series of transactions that, taken together, result in the sale or other disposition of all or substantially all of the assets of the Partnership for cash.

"Termination Transaction" has the meaning set forth in Section 11.2.B hereof.

"Transferred Property" has the meaning set forth in Section 7.11.C hereof.

"Unrealized Gain" attributable to any item of Partnership property means, as of any date of determination, the excess, if any, of (i) the fair market value of such property (as determined under Exhibit B hereto) as of such date, over (ii) the Carrying Value of such property (prior to any adjustment to be made pursuant to Exhibit B hereto) as of such date.

"Unrealized Loss" attributable to any item of Partnership property means, as of any date of determination, the excess, if any, of (i) the Carrying Value of such property (prior to any adjustment to be made pursuant to Exhibit B hereto) as of such date, over (ii) the fair market value of such property (as determined under Exhibit B hereto) as of such date.

13

"Valuation Date" means the date of receipt by the General Partner of a Notice of Redemption or, if such date is not a Business Day, the first Business Day thereafter.

"Value" means, with respect to any outstanding Shares of the General Partner Entity that are Publicly Traded, the average of the daily market price for the ten (10) consecutive trading days immediately preceding the date with respect to which value must be determined or, if such date is not a Business Day, the immediately preceding Business Day. The market price for each such trading day shall be the closing price, regular way, on such day, or if no such sale takes place on such day, the average of the closing bid and asked prices on such day. In the event that the outstanding Shares of the General Partner Entity are Publicly Traded and the Shares Amount includes rights that a holder of Shares would be entitled to receive, then the Value of such rights shall be determined by the General Partner acting in good faith on the basis of such quotations and other information as it considers, in its reasonable judgment, appropriate. In the event that the Shares of the General Partner Entity are not Publicly Traded, the Value of the Shares Amount per Partnership Unit offered for redemption (which will be the Cash Amount per Partnership Unit offered for redemption pursuant to Section 8.6.A hereof) means the amount that a holder of one Partnership Unit would receive if each of the assets of the Partnership were to be sold for its fair market value on the Specified Redemption Date, the Partnership were to pay all of its outstanding liabilities, and the remaining proceeds were to be distributed to the Partners in accordance with the terms of this Agreement. Such Value shall be determined by the General Partner, acting in good faith and based upon a commercially reasonable estimate of the amount that would be realized by the Partnership if each asset of the Partnership (and each asset of each Partnership, limited liability company, joint venture or other entity in which the Partnership owns a direct or indirect interest) were sold to an unrelated purchaser in an arms' length transaction where neither the purchaser nor the seller were under economic compulsion to enter into the transaction (without regard to any discount in value as a result of the Partnership's minority interest in any property or any illiquidity of the Partnership's interest in any property). In connection with determining the Deemed Value of the Partnership Interest for purposes of determining the number of additional Partnership Units issuable upon a Capital Contribution funded by an underwritten public offering of shares of capital stock (or other comparable equity interest) of the General Partner, the Value of such shares shall be the public offering price per share of such class of the capital stock (or other comparable equity interest) sold.

14

ARTICLE II.

ORGANIZATIONAL MATTERS

Section 2.01. Organization

The Partnership is a limited partnership organized pursuant to the provisions of the Act and upon the terms and conditions set forth in the Prior Agreement. The Partners hereby continue the Partnership and amend and restate the Prior Agreement in its entirety. Except as expressly provided herein to the contrary, the rights and obligations of the Partners and the administration and termination of the Partnership shall be governed by the Act. The Partnership Interest of each Partner shall be personal property for all purposes.

Section 2.02. Name

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

Section 2.03. Registered Office and Agent; Principal Office

The address of the registered office of the Partnership in the State of Delaware shall be located at Corporation Trust Center, 1209 Orange Street, Wilmington, County of New Castle, Delaware 19801, and the registered agent for service of process on the Partnership in the State of Delaware at such registered office shall be Corporation Trust Company. The principal office of the Partnership shall be 70 West 36th Street, New York, New York 10018, or such other place as the General Partner may from time to time designate by notice to the Limited Partners. The Partnership may maintain offices at such other place or places within or outside the State of Delaware as the General Partner deems advisable.

Section 2.04. Term

The term of the Partnership commenced on June 12, 1997, the date on which the Certificate was filed in the office of the Secretary of State of the State of Delaware in accordance with the Act, and shall continue until December 31, 2096, unless it is dissolved sooner pursuant to the provisions of Article XIII hereof or as otherwise provided by law.

ARTICLE III.

PURPOSE

Section 3.01. Purpose and Business

The purpose and nature of the business to be conducted by the Partnership is (i) to conduct any business that may be lawfully conducted by a limited partnership organized pursuant to the Act; *provided, however*, that such business shall be limited to and conducted in such a manner as to permit the General Partner Entity at all times to be classified as a REIT, unless the General Partner ceases to qualify or is not qualified as a REIT for any reason or reasons not related to the business conducted by the Partnership; (ii) to enter into any partnership, joint venture, limited liability company or other similar arrangement to engage in any of the foregoing or the ownership of interests in any entity engaged, directly or indirectly, in any of the foregoing; and (iii) to do anything necessary or incidental to the foregoing. In connection with the foregoing, the Partners acknowledge that the status of the

15

General Partner Entity as a REIT inures to the benefit of all the Partners and not solely the General Partner or its Affiliates.

Section 3.02. Powers

The Partnership is empowered to do any and all acts and things necessary, appropriate, proper, advisable, incidental to or convenient for the furtherance and accomplishment of the purposes and business described herein and for the protection and benefit of the Partnership, including, without limitation, full power and authority, directly or through its ownership interest in other entities, to enter into, perform and carry out contracts of any kind, borrow money and issue evidences of indebtedness whether or not secured by mortgage, deed of trust, pledge or other lien, acquire, own, manage, improve and develop real property, and lease, sell, transfer and dispose of real property; *provided, however*, that the Partnership shall not take, or refrain from taking, any action which, in the judgment of the General Partner, in its sole and absolute discretion, (i) could adversely affect the ability of the General Partner Entity to continue to qualify as a REIT, (ii) could subject the General Partner Entity to any additional taxes under Section 857 or Section 4981 of the Code or (iii) could violate any law or regulation of any governmental body or agency having jurisdiction over the General Partner Entity or its securities, unless such action (or inaction) shall have been specifically consented to by the General Partner in writing.

Section 3.03. Partnership Only for Purposes Specified

The Partnership shall be a partnership only for the purposes specified in Section 3.1 above, and this Agreement shall not be deemed to create a partnership among the Partners with respect to any activities whatsoever other than the activities within the purposes of the Partnership as specified in Section 3.1 above.

ARTICLE IV.

CAPITAL CONTRIBUTIONS AND ISSUANCES

OF PARTNERSHIP INTERESTS

Section 4.01. Capital Contributions of the Partners

A. *Initial Capital Contributions and Recapitalization of the Partnership on the Effective Date.* On the Effective Date, the Partners will make Capital Contributions to the Partnership in connection with the Consolidation. On the Effective Date, the General Partner will complete Exhibit A hereto to reflect the Capital Contributions made by each Partner, the Partnership Units assigned to each Partner and the Percentage Interest in the Partnership represented by such Partnership Units. The Capital Accounts of the Partners and the Carrying Values of the Partnership's Assets shall be determined as of the Effective Date pursuant to Section I.D of Exhibit B hereto to reflect the Capital Contributions made on the Effective Date.

B. *General Partnership Interest.* A number of Partnership Units held by the General Partner equal to one percent (1%) of all outstanding Partnership Units shall be deemed to be the General Partner Partnership Units and shall be the General Partnership Interest. All other Partnership Units held by the General Partner shall be deemed to be Limited Partnership Interests and shall be held by the General Partner in its capacity as a Limited Partner in the Partnership.

C. *Capital Contributions By Merger.* To the extent the Partnership acquires any property by the merger of any other Person into the Partnership, Persons who receive Partnership Interests in exchange for their interests in the Person merging into the Partnership shall become Partners and shall be deemed to have made Capital Contributions as provided in the applicable merger agreement and as set forth in Exhibit A hereto.

16

D. *No Obligation to Make Additional Capital Contributions.* Except as provided in Sections 7.5 and 10.5 hereof, the Partners shall have no obligation to make any additional Capital Contributions or provide any additional funding to the Partnership (whether in the form of loans, repayments of loans or otherwise). No Partner shall have any obligation to restore any deficit that may exist in its Capital Account, either upon a liquidation of the Partnership or otherwise.

Section 4.02. Issuances of Partnership Interests

A. *General.* The General Partner is hereby authorized to cause the Partnership from time to time to issue to Partners (including the General Partner and its Affiliates) or other Persons (including, without limitation, in connection with the contribution of property to the Partnership) Partnership Units or other Partnership Interests in one or more classes, or in one or more series of any of such classes, with such designations, preferences and relative, participating, optional or other special rights, powers and duties, including rights, powers and duties senior to Limited Partnership Interests, all as shall be determined, subject to applicable Delaware law, by the General Partner in its sole and absolute discretion, including, without limitation, (i) the allocations of items of Partnership income, gain, loss, deduction and credit to each such class or series of Partnership Interests, (ii) the right of each such class or series of Partnership Interests to share in Partnership distributions and (iii) the rights of each such class or series of Partnership Interests upon dissolution and liquidation of the Partnership; *provided*, that no such Partnership Units or other Partnership Interests shall be issued to the General Partner unless either (a) the Partnership Interests are issued in connection with the grant, award or issuance of Shares or other equity interests in the General Partner having designations, preferences and other rights such that the economic interests attributable to such Shares or other equity interests are substantially similar to the designations, preferences and other rights (except voting rights) of the additional Partnership Interests issued to the General Partner in accordance with this Section 4.2.A or (b) the Partnership Interests are issued to all Partners holding Partnership Interests in the same class in proportion to their respective Percentage Interests in such class. In the event that the Partnership issues Partnership Interests pursuant to this Section 4.2.A, the General Partner shall make such revisions to this Agreement (including but not limited to the revisions described in Section 5.4, Section 6.2 and Section 8.6 hereof) as it deems necessary to reflect the issuance of such additional Partnership Interests.

B. *Percentage Interest Adjustments in the Case of Capital Contributions for Partnership Units.* Upon the acceptance of additional Capital Contributions in exchange for Partnership Units, the Percentage Interest related thereto shall be equal to a fraction, the numerator of which is equal to the amount of cash, if any, plus the Agreed Value of Contributed Property, if any, contributed with respect to such additional Partnership Units and the denominator of which is equal to the sum of (i) the Deemed Value of the Partnership Interests for all outstanding classes (computed as of the Business Day immediately preceding the date on which the additional Capital Contributions are made (an "Adjustment Date")) plus (ii) the aggregate amount of additional Capital Contributions contributed to the Partnership on such Adjustment Date in respect of such additional Partnership Units. The Percentage Interest of each other Partner holding Partnership Interests not making a full pro rata Capital Contribution shall be adjusted to a fraction the numerator of which is equal to the sum of (i) the Deemed Partnership Interest Value of such Limited Partner (computed as of the Business Day immediately preceding the Adjustment Date) plus (ii) the amount of additional Capital Contributions (such amount being equal to the amount of cash, if any, plus the Agreed Value of Contributed Property, if any, so contributed), if any, made by such Partner to the Partnership in respect of such Partnership Interest as of such Adjustment Date and the denominator of which is equal to the sum of (i) the Deemed Value of the Partnership Interests of all outstanding classes (computed as of the Business Day immediately preceding such Adjustment Date) plus (ii) the aggregate amount of the additional Capital Contributions contributed to the Partnership on such Adjustment Date in respect of such additional Partnership Interests. For purposes of calculating a Partner's Percentage Interest

17

pursuant to this Section 4.2.B, cash Capital Contributions by the General Partner will be deemed to equal the cash contributed by the General Partner plus (a) in the case of cash contributions funded by an offering of any equity interests in or other securities of the General Partner, the offering costs attributable to the cash contributed to the Partnership, and (b) in the case of Partnership Units issued pursuant to Section 7.5.E hereof, an amount equal to the difference between the Value of the Shares sold pursuant to any Stock Option Plan and the net proceeds of such sale.

C. *Classes of Partnership Units.* From and after the Effective Date, subject to Section 4.2.A above, the Partnership shall have two classes of Partnership Units, entitled "Class A Units" and "Class B Units." Either Class A Units or Class B Units, at the election of the General Partner, in its sole and absolute discretion, may be issued to newly admitted Partners in exchange for the contribution by such Partners of cash, real estate partnership interests, stock, notes or other assets or consideration; *provided*, that all Partnership Units issued to Partners in connection with the Consolidation shall be Class A Units; and, *provided, further*, that any Partnership Unit that is not specifically designated by the General Partner as being of a particular class shall be deemed to be a Class A Unit. Each Class B Unit shall be converted automatically into a Class A Unit on the day immediately following the Partnership Record Date for the Distribution Period (as defined in Section 5.1.C hereof) in which such Class B Unit was issued, without the requirement for any action by either the Partnership or the Partner holding the Class B Unit.

Section 4.03. No Preemptive Rights

Except to the extent expressly granted by the Partnership pursuant to another agreement, no Person shall have any preemptive, preferential or other similar right with respect to (i) additional Capital Contributions or loans to the Partnership or (ii) issuance or sale of any Partnership Units or other Partnership Interests.

Section 4.04. Other Contribution Provisions

In the event that any Partner is admitted to the Partnership and is given a Capital Account in exchange for services rendered to the Partnership, such transaction shall be treated by the Partnership and the affected Partner as if the Partnership had compensated such Partner in cash, and the Partner had contributed such cash to the capital of the Partnership.

Section 4.05. No Interest on Capital

No Partner shall be entitled to interest on its Capital Contributions or its Capital Account.

ARTICLE V. DISTRIBUTIONS

Section 5.01. Requirement and Characterization of Distributions

A. *General.* The General Partner shall distribute at least quarterly an amount equal to one hundred percent (100%) of Available Cash generated by the Partnership during such quarter or shorter period to the Partners who are Partners on the Partnership Record Date with respect to such quarter or shorter period as provided in Sections 5.1.B, 5.1.D and 6.1.C below. Notwithstanding anything to the contrary contained herein, in no event may a Partner receive a distribution of Available Cash with respect to a Partnership Unit for a quarter or shorter period if such Partner is entitled to receive a distribution out of such Available Cash with respect to a Share for which such Partnership Unit has been redeemed or exchanged. Unless otherwise expressly provided for herein or in an agreement at the time a new class of Partnership Interests is created in accordance with Article IV hereof, no Partnership Interest shall be entitled to a distribution in preference to any other Partnership Interest. The General Partner shall make such reasonable efforts, as determined by it in its sole and absolute discretion and consistent with the qualification of the General Partner Entity as a REIT, to distribute

18

Available Cash (a) to Limited Partners so as to preclude any such distribution or portion thereof from being treated as part of a sale of property by a Limited Partner under Section 707 Code or the Regulations thereunder; *provided that*, the General Partner and the Partnership shall not have liability to a Limited Partner under any circumstances as a result of any distribution to a Limited Partner being so treated, and (b) to the General Partner in an amount sufficient to enable the General Partner Entity to pay stockholder dividends that will (1) satisfy the requirements for qualification as a REIT under the Code and the Regulations (the "REIT Requirements") and (2) avoid any federal income or excise tax liability for the General Partner Entity.

B. *Method.* (i) Each holder of Partnership Interests that are entitled to any preference in distribution shall be entitled to a distribution in accordance with the rights of any such class of Partnership Interests (and, within such class, pro rata in proportion to the respective Percentage Interests on such Partnership Record Date); and

(i) To the extent there is Available Cash remaining after the payment of any preference in distribution in accordance with the foregoing clause (i), with respect to Partnership Interests that are not entitled to any preference in distribution, pro rata to each such class in accordance with the terms of such class (and, within each such class, pro rata in proportion to the respective Percentage Interests on such Partnership Record Date).

C. *Distributions When Class B Units Are Outstanding.* If for any quarter or shorter period with respect to which a distribution is to be made (a "Distribution Period") Class B Units are outstanding on the Partnership Record Date for such Distribution Period, the General Partner shall allocate the Available Cash with respect to such Distribution Period available for distribution with respect to the Class A Units and Class B Units collectively between the Partners who are holders of Class A Units ("Class A") and the Partners who are holders of Class B Units ("Class B") as follows:

(1) Class A shall receive that portion of the Available Cash (the "Class A Share") determined by multiplying the amount of Available Cash by the following fraction:

$$\frac{A \times Y}{(A \times Y) + (B \times X)}$$

(2) Class B shall receive that portion of the Available Cash (the "Class B Share") determined by multiplying the amount of Available Cash by the following fraction:

$$\frac{B \times X}{(A \times Y) + (B \times X)}$$

(3) For purposes of the foregoing formulas, (i) "A" equals the number of Class A Units outstanding on the Partnership Record Date for such Distribution Period; (ii) "B" equals the number of Class B Units outstanding on the Partnership Record Date for such Distribution Period; (iii) "Y" equals the number of days in the Distribution Period; and (iv) "X" equals the number of days in the Distribution Period for which the Class B Units were issued and outstanding.

The Class A Share shall be distributed among Partners holding Class A Units on the Partnership Record Date for the Distribution Period in accordance with the number of Class A Units held by each Partner on such Partnership Record Date; *provided that*, in no event may a Partner receive a distribution of Available Cash with respect to a Class A Unit if the Partner is entitled to receive a distribution out of such Available Cash with respect to a Share for which such Class A Unit has been redeemed or exchanged. The Class B Share shall be distributed among the Partners holding Class B Units on the Partnership Record Date for the Distribution Period in accordance with the number of Class B Units held by each Partner on such Partnership Record Date. In no event shall any Partner

19

holding Class B Units be entitled to receive any distribution of Available Cash with respect to such Units for any Distribution Period ending prior to the date on which such Class B Units are issued.

D. *Distributions When Class B Units Have Been Issued on Different Dates.* In the event that Class B Units which have been issued on different dates are outstanding on the Partnership Record Date for any Distribution Period, then the Class B Units issued on each particular date shall be treated as a separate series of Partnership Units for purposes of making the allocation of Available Cash for such Distribution Period among the holders of Partnership Units (and the formula for making such allocation, and the definitions of variables used therein, shall be modified accordingly). Thus, for example, if two series of Class B Units are outstanding on the Partnership Record Date for any Distribution Period, the allocation formula for each series, "Series B₁" and "Series B₂" would be as follows:

(1) Series B₁ shall receive that portion of the Available Cash determined by multiplying the amount of Available Cash by the following fraction:

$$\frac{B_1 \times X_1}{(A \times Y) + (B_1 \times X_1) + (B_2 \times X_2)}$$

(2) Series B₂ shall receive that portion of the Available Cash determined by multiplying the amount of Available Cash by the following fraction:

$$\frac{B_2 \times X_2}{(A \times Y) + (B_1 \times X_1) + (B_2 \times X_2)}$$

(3) For purposes of the foregoing formulas the definitions set forth in Section 5.1.C.3 above remain the same except that (i) "B₁" equals the number of Partnership Units in Series B₁ outstanding on the Partnership Record Date for such Distribution Period; (ii) "B₂" equals the number of Partnership Units in Series B₂ outstanding on the Partnership Record Date for such Distribution Period; (iii) "X₁" equals the number of days in the Distribution Period for which the Partnership Units in Series B₁ were issued and outstanding; and (iv) "X₂" equals the number of days in the Distribution Period for which the Partnership Units in Series B₂ were issued and outstanding.

E. *Minimum Distributions if General Partner Not Publicly Traded.* In addition (and without regard to the amount of Available Cash), if the shares of common stock (or other comparable equity interests) of the General Partner are not Publicly Traded, the General Partner shall make cash distributions with respect to the Class A Units at least annually for each taxable year of the Partnership beginning prior to the fifteenth (15th) anniversary of the Effective Date in an aggregate amount with respect to each such taxable year at least equal to 95% of the Partnership's taxable income for such year allocable to the Class A Units, with such distributions to be made not later than 60 days after the end of such year.

Section 5.02. Amounts Withheld

All amounts withheld pursuant to the Code or any provisions of any state or local tax law and Section 10.5 hereof with respect to any allocation, payment or distribution to the General Partner, the Limited Partners or Assignees shall be treated as amounts distributed to the General Partner, Limited Partners or Assignees pursuant to Section 5.1 above for all purposes under this Agreement.

Section 5.03. Distributions Upon Liquidation

Proceeds from a Terminating Capital Transaction shall be distributed to the Partners in accordance with Section 13.2 hereof.

Section 5.04. Revisions to Reflect Issuance of Additional Partnership Interests

20

In the event that the Partnership issues additional Partnership Interests to the General Partner or any Additional Limited Partner pursuant to Article IV hereof, the General Partner shall make such revisions to this Article V as it deems necessary to reflect the issuance of such additional Partnership Interests. Such revisions shall not require the consent or approval of any other Partner.

ARTICLE VI.

ALLOCATIONS

Section 6.01. Allocations For Capital Account Purposes

For purposes of maintaining the Capital Accounts and in determining the rights of the Partners among themselves, the Partnership's items of income, gain, loss and deduction (computed in accordance with Exhibit B hereto) shall be allocated among the Partners in each taxable year (or portion thereof) as provided herein below.

A. *Net Income.* After giving effect to the special allocations set forth in Section 1 of Exhibit C hereto, Net Income shall be allocated (i) first, to the General Partner to the extent that Net Losses previously allocated to the General Partner, on a cumulative basis, pursuant to the last sentence of Section 6.1.B below exceed Net Income previously allocated to the General Partner, on a cumulative basis, pursuant to this clause (i) of Section 6.1.A, (ii) second, to the holders of any Partnership Interests that are entitled to any preference in distribution in accordance with the rights of any such class of Partnership Interests until each such Partnership Interest has been allocated, on a cumulative basis pursuant to this clause (ii), Net Income equal to the sum of the amount of distributions received with respect to such Partnership Interests pursuant to clause (i) of Section 5.1.B hereof and the amount of any prior allocations of Net Losses to such class of Partnership Interests pursuant to Section 6.1.B(i) below (and, within such class, pro rata in proportion to the respective interests in such class as of the last day of the period for which such allocation is being made) and (iii) third, with respect to Partnership Interests that are not entitled to any preference in the allocation of Net Income, pro rata to each such class in accordance with the terms of such class (and, within such class, pro rata in proportion to the respective interests in such class as of the last day of the period for which such allocation is being made).

B. *Net Losses.* After giving effect to the special allocations set forth in Section 1 of Exhibit C hereto, Net Losses shall be allocated (i) first, to the holders of any Partnership Interests that are entitled to any preference in distribution in accordance with the rights of any such class of Partnership Interests to the extent that any prior allocations of Net Income to such class of Partnership Interests pursuant to Section 6.1.A(ii) above exceed, on a cumulative basis, distributions with respect to such Partnership Interests pursuant to clause (i) of Section 5.1.B hereof (and, within such class, pro rata in proportion to the respective interests in such class as of the last day of the period for which such allocation is being made) and (ii) second, with respect to classes of Partnership Interests that are not entitled to any preference in distribution, pro rata to each such class in accordance with the terms of such class (and, within such class, pro rata in proportion to the respective interests in such class as of the last day of the period for which such allocation is being made); *provided that*, Net Losses shall not be allocated to any Limited Partner pursuant to this Section 6.1.B to the extent that such allocation would cause such Limited Partner to have an Adjusted Capital Account Deficit (or increase any existing Adjusted Capital Account Deficit) at the end of such taxable year (or portion thereof). All Net Losses in excess of the limitations set forth in this Section 6.1.B shall be allocated to the General Partner.

C. *Allocation of Nonrecourse Debt.* For purposes of Regulations Section 1.752-3(a), the Partners agree that Nonrecourse Liabilities of the Partnership in excess of the sum of (i) the amount of Partnership Minimum Gain and (ii) the total amount of Nonrecourse Built-in Gain shall be allocated among the Partners in accordance with their respective Percentage Interests.

21

D. *Recapture Income.* Any gain allocated to the Partners upon the sale or other taxable disposition of any Partnership asset shall, to the extent possible after taking into account other required allocations of gain pursuant to Exhibit C hereto, be characterized as Recapture Income in the same proportions and to the same extent as such Partners have been allocated any deductions directly or indirectly giving rise to the treatment of such gains as Recapture Income.

Section 6.02. Revisions to Allocations to Reflect Issuance of Additional Partnership Interests

In the event that the Partnership issues additional Partnership Interests to the General Partner or any Additional Limited Partner pursuant to Article IV hereof, the General Partner shall make such revisions to this Article VI and Exhibit A as it deems necessary to reflect the terms of the issuance of such additional Partnership Interests, including making preferential allocations to classes of Partnership Interests that are entitled thereto. Such revisions shall not require the consent or approval of any other Partner.

ARTICLE VII.

MANAGEMENT AND OPERATIONS OF BUSINESS

Section 7.01. Management

A. *Powers of General Partner.* Except as otherwise expressly provided in this Agreement, all management powers over the business and affairs of the Partnership are and shall be exclusively vested in the General Partner, and no Limited Partner shall have any right to participate in or exercise control or management power over the business and affairs of the Partnership. The General Partner may not be removed by the Limited Partners with or without cause; *provided, however*, that if the Shares (or comparable equity securities) of the General Partner Entity are not Publicly Traded, the General Partner may be removed with cause with the Consent of the Outside Limited Partners. In addition to the powers now or hereafter granted a general partner of a limited partnership under applicable law or which are granted to the General Partner under any other provision of this Agreement, the General Partner, subject to Sections 7.6 and 7.11 below, shall have full power and authority to do all things deemed necessary or desirable by it to conduct the business of the Partnership, to exercise all powers set forth in Section 3.2 hereof and to effectuate the purposes set forth in Section 3.1 hereof, including, without limitation:

(1) the making of any expenditures, the lending or borrowing of money (including, without limitation, making prepayments on loans and borrowing money to permit the Partnership to make distributions to its Partners in such amounts as are required under Section 5.1.E hereof or will permit the General Partner Entity (as long as the General Partner Entity qualifies as a REIT) to avoid the payment of any federal income tax (including, for this purpose, any excise tax pursuant to Section 4981 of the Code) and to make distributions to its stockholders sufficient to permit the General Partner Entity to maintain REIT status, the assumption or guarantee of, or other contracting for, indebtedness and other liabilities, the issuance of evidences of indebtedness (including the securing of same by mortgage, deed of trust or other lien or encumbrance on the Partnership's assets) and the incurring of any obligations the General Partner deems necessary for the conduct of the activities of the Partnership;

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

(3) the acquisition, disposition, mortgage, pledge, encumbrance, hypothecation or exchange of any or all of the assets of the Partnership (including the exercise or grant of any conversion, option, privilege or subscription right or other right available in connection with

22

any assets at any time held by the Partnership) or the merger or other combination of the Partnership with or into another entity, on such terms as the General Partner deems proper;

(4) the use of the assets of the Partnership (including, without limitation, cash on hand) for any purpose consistent with the terms of this Agreement and on any terms it sees fit, including, without limitation, the financing of the conduct of the operations of the Partnership or any of the Partnership's Subsidiaries, the lending of funds to other Persons (including, without limitation, the Partnership's Subsidiaries) and the repayment of obligations of the Partnership and its Subsidiaries and any other Person in which the Partnership has an equity investment and the making of capital contributions to its Subsidiaries;

(5) the management, operation, leasing, landscaping, repair, alteration, demolition or improvement of any real property or improvements owned by the Partnership or any Subsidiary of the Partnership or any Person in which the Partnership has made a direct or indirect equity investment;

(6) the negotiation, execution, delivery and performance of any contracts, conveyances or other instruments that the General Partner considers useful or necessary to the conduct of the Partnership's operations or the implementation of the General Partner's powers under this Agreement, including contracting with contractors, developers, consultants, accountants, legal counsel, other professional advisors, and other agents and the payment of their expenses and compensation out of the Partnership's assets;

(7) the mortgage, pledge, encumbrance or hypothecation of any assets of the Partnership, and the use of the assets of the Partnership (including, without limitation, cash on hand) for any purpose consistent with the terms of this Agreement and on any terms it sees fit, including, without limitation, the financing of the conduct or the operations of the General Partners or the Partnership, the lending of funds to other Persons (including, without limitation, any Subsidiaries of the Partnership) and the repayment of obligations of the Partnership, any of its Subsidiaries and any other Person in which it has an equity investment;

(8) the distribution of Partnership cash or other Partnership assets in accordance with this Agreement;

(9) the holding, managing, investing and reinvesting of cash and other assets of the Partnership;

(10) the collection and receipt of revenues and income of the Partnership;

(11) the selection, designation of powers, authority and duties and dismissal of employees of the Partnership (including, without limitation, employees having titles such as "president," "vice president," "secretary" and "treasurer") and agents, outside attorneys, accountants, consultants and contractors of the Partnership, and the determination of their compensation and other terms of employment or hiring;

(12) the maintenance of such insurance for the benefit of the Partnership and the Partners as it deems necessary or appropriate;

(13) the formation of, or acquisition of an interest (including non-voting interests in entities controlled by Affiliates of the Partnership or third parties) in, and the contribution of property to, any further limited or general partnerships, joint ventures, limited liability companies or other relationships that it deems desirable (including, without limitation, the acquisition of interests in, and the contributions of funds or property, or the making of loans, to its Subsidiaries and any other Person in which it has an equity investment from time to time or the incurring of indebtedness on behalf of such Persons or the guarantee of obligations of such Persons); provided that, as long as the General Partner has determined to

23

qualify as a REIT, the Partnership may not engage in any such formation, acquisition or contribution that would cause the General Partner to fail to qualify as a REIT);

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

(15) the determination of the fair market value of any Partnership property distributed in kind, using such reasonable method of valuation as the General Partner may adopt;

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

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

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

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

(20) the distribution of cash to acquire Partnership Units held by a Limited Partner in connection with a Limited Partner's exercise of its Redemption Right under Section 8.6 hereof; and

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

B. *No Approval by Limited Partners.* Except as provided in Section 7.11 below, each of the Limited Partners agrees that the General Partner is authorized to execute, deliver and perform the above-mentioned agreements and transactions on behalf of the Partnership without any further act, approval or vote of the Partners, notwithstanding any other provision of this Agreement, the Act or any applicable law, rule or regulation, to the full extent permitted under the Act or other applicable law. The execution, delivery or performance by the General Partner or the Partnership of any agreement authorized or permitted under this Agreement shall not constitute a breach by the General Partner of

24

any duty that the General Partner may owe the Partnership or the Limited Partners or any other Persons under this Agreement or of any duty stated or implied by law or equity.

C. *Insurance.* At all times from and after the date hereof, the General Partner may cause the Partnership to obtain and maintain (i) casualty, liability and other insurance on the properties of the Partnership, (ii) liability insurance for the Indemnitees hereunder and (iii) such other insurance as the General Partner, in its sole and absolute discretion, determines to be necessary.

D. *Working Capital and Other Reserves.* At all times from and after the date hereof, the General Partner may cause the Partnership to establish and maintain working capital reserves in such amounts as the General Partner, in its sole and absolute discretion, deems appropriate and reasonable from time to time, including upon liquidation of the Partnership pursuant to Section 13.2 hereof.

E. *No Obligations to Consider Tax Consequences of Limited Partners.* In exercising its authority under this Agreement, the General Partner may, but shall be under no obligation to, take into account the tax consequences to any Partner (including the General Partner) of any action taken (or not taken) by it. The General Partner and the Partnership shall not have liability to a Limited Partner for monetary damages or otherwise for losses sustained, liabilities incurred or benefits not derived by such Limited Partner in connection with such decisions, provided that the General Partner has acted in good faith and pursuant to its authority under this Agreement.

Section 7.02. Certificate of Limited Partnership

The General Partner has previously filed the Certificate with the Secretary of State of Delaware. To the extent that such action is determined by the General Partner to be reasonable and necessary or appropriate, the General Partner shall file amendments to and restatements of the Certificate and do all the things to maintain the Partnership as a limited partnership (or a partnership in which the limited partners have limited liability) under the laws of the State of Delaware and each other state, the District of Columbia or other jurisdiction in which the Partnership may elect to do business or own property. Subject to the terms of Section 8.5.A(4) hereof, the General Partner shall not be required, before or after filing, to deliver or mail a copy of the Certificate or any amendment thereto to any Limited Partner. The General Partner shall use all reasonable efforts to cause to be filed such other certificates or documents as may be reasonable and necessary or appropriate for the formation, continuation, qualification and operation of a limited partnership (or a partnership in which the limited partners have limited liability) in the State of Delaware and any other state, the District of Columbia or other jurisdiction in which the Partnership may elect to do business or own property.

25

Section 7.03. Title to Partnership Assets

Title to Partnership assets, whether real, personal or mixed and whether tangible or intangible, shall be deemed to be owned by the Partnership as an entity, and no Partners, individually or collectively, shall have any ownership interest in such Partnership assets or any portion thereof. Title to any or all of the Partnership assets may be held in the name of the Partnership, the General Partner or one or more nominees, as the General Partner may determine, including Affiliates of the General Partner. The General Partner hereby declares and warrants that any Partnership assets for which legal title is held in the name of the General Partner or any nominee or Affiliate of the General Partner shall be held by the General Partner for the use and benefit of the Partnership in accordance with the provisions of this Agreement; provided, however, that the General Partner shall use its best efforts to cause beneficial and record title to such assets to be vested in the Partnership as soon as reasonably practicable. All Partnership assets shall be recorded as the property of the Partnership in its books and records, irrespective of the name in which legal title to such Partnership assets is held.

Section 7.04. Reimbursement of the General Partner

A. *No Compensation.* Except as provided in this Section 7.4 and elsewhere in this Agreement (including the provisions of Articles V and VI hereof regarding distributions, payments and allocations to which it may be entitled), the General Partner shall not be compensated for its services as general partner of the Partnership.

B. *Responsibility for Partnership Expenses.* The Partnership shall be responsible for and shall pay all expenses relating to the Partnership's organization, the ownership of its assets and its operations. The General Partner shall be reimbursed on a monthly basis, or such other basis as the General Partner may determine in its sole and absolute discretion, for all expenses it incurs relating to the ownership and operation of, or for the benefit of, the Partnership (including, without limitation, expenses related to the management and administration of any Subsidiaries of the General Partner or the Partnership or Affiliates of the Partnership such as auditing expenses and filing fees); *provided that*, the amount of any such reimbursement shall be reduced by (i) any interest earned by the General Partner with respect to bank accounts or other instruments or accounts held by it as permitted in Section 7.5.A below and (ii) any amount derived by the General Partner from any investments permitted in Section 7.5.A below; and, *provided further*, that the General Partner shall not be reimbursed for (i) income tax liabilities or (ii) filing or similar fees in connection with maintaining the General Partner's continued corporate existence that are incurred by the General Partner. The General Partner shall determine in good faith the amount of expenses incurred by it related to the ownership and operation of, or for the benefit of, the Partnership. In the event that certain expenses are incurred for the benefit of the Partnership and other entities (including the General Partner), such expenses will be allocated to the Partnership and such other entities in such a manner as the General Partner in its sole and absolute discretion deems fair and reasonable. Such reimbursements shall be in addition to any reimbursement to the General Partner pursuant to Section 10.3.C hereof and as a result of indemnification pursuant to Section 7.7 below. All payments and reimbursements hereunder shall be characterized for federal income tax purposes as expenses of the Partnership incurred on its behalf, and not as expenses of the General Partner.

C. *Partnership Interest Issuance Expenses.* The General Partner shall also be reimbursed for all expenses it incurs relating to any issuance of additional Partnership Interests, Shares, Debt of the Partnership or the General Partner or rights, options, warrants or convertible or exchangeable securities pursuant to Article IV hereof (including, without limitation, all costs, expenses, damages and other payments resulting from or arising in connection with litigation related to any of the foregoing), all of which expenses are considered by the Partners to constitute expenses of, and for the benefit of, the Partnership.

26

D. *Purchases of Shares by the General Partner.* In the event that the General Partner exercises its rights under the Articles of Incorporation to purchase Shares or otherwise elects to purchase from its stockholders Shares in connection with a stock repurchase or similar program or for the purpose of delivering such Shares to satisfy an obligation under any dividend reinvestment or stock purchase program adopted by the General Partner, any employee stock purchase plan adopted by the General Partner or any similar obligation or arrangement undertaken by the General Partner in the future, the purchase price paid by the General Partner for such Shares and any other expenses incurred by the General Partner in connection with such purchase shall be considered expenses of the Partnership and shall be reimbursable to the General Partner, subject to the conditions that: (i) if such Shares subsequently are to be sold by the General Partner, the General Partner pays to the Partnership any proceeds received by the General Partner for such Shares (provided that a transfer of Shares for Partnership Units pursuant to Section 8.6 hereof would not be considered a sale for such purposes); and (ii) if such Shares are not retransferred by the General Partner within thirty (30) days after the purchase thereof, the General Partner shall cause the Partnership to cancel a number of Partnership Units of the appropriate class (rounded to the nearest whole Partnership Unit) held by the General Partner equal to the product attained by multiplying the number of such Shares by a fraction, the numerator of which is one and the denominator of which is the Conversion Factor.

E. *Reimbursement not a Distribution.* If and to the extent any reimbursement made pursuant to this Section 7.4 is determined for federal income tax purposes not to constitute a payment of expenses of the Partnership, the amount so determined shall be treated as a distribution to the General Partner and there shall be a corresponding special allocation of gross income to the General Partner, for purposes of computing the Partners' Capital Accounts.

Section 7.05. Outside Activities of the General Partner

A. *General.* Without the Consent of the Outside Limited Partners, the General Partner shall not, directly or indirectly, enter into or conduct any business other than in connection with the ownership, acquisition and disposition of Partnership Interests as a General Partner or Limited Partner and the management of the business of the Partnership and such activities as are incidental thereto. Without the Consent of the Outside Limited Partners, the assets of the General Partner shall be limited to Partnership Interests and permitted debt obligations of the Partnership (as contemplated by Section 7.5.F below), so that Shares and Partnership Units are completely fungible except as otherwise specifically provided herein; *provided*, that the General Partner shall be permitted to hold such bank accounts or similar instruments or account in its own name as it deems necessary to carry out its responsibilities and purposes as contemplated under this Agreement and its organizational documents; and, *provided, further*, that the General Partner shall be permitted to acquire, directly or through a Qualified REIT Subsidiary, up to a one percent (1%) interest in any partnership or limited liability company at least ninety-nine percent (99%) of the equity of which is owned by the Partnership. The General Partner and any of its Affiliates may acquire Limited Partnership Interests and shall be entitled to exercise all rights of a Limited Partner relating to such Limited Partnership Interests. If, at any time, the General Partner acquires material assets (other than on behalf of the Partnership), the definition of "Shares Amount" shall be adjusted, as agreed to by the General Partner and the Limited Partners (which agreement shall be evidenced by Consent of the Outside Limited Partners), to reflect the value of a share of capital stock (or other comparable equity interest) of the General Partner relative to the Deemed Partnership Interest Value of the related Partnership Unit.

B. *Repurchase of Shares.* In the event the General Partner exercises its rights under the Articles of Incorporation to purchase Shares or otherwise elects to purchase from its stockholders Shares in connection with a stock repurchase or similar program or for the purpose of delivering such shares to satisfy an obligation under any dividend reinvestment or stock purchase program adopted by the General Partner, any employee stock purchase plan adopted by the General Partner or any similar obligation or arrangement undertaken by the General Partner in the future, then the General Partner

27

shall cause the Partnership to purchase from the General Partner that number of Partnership Units of the appropriate class equal to the product obtained by multiplying the number of Shares purchased by the General Partner times a fraction, the numerator of which is one and the denominator of which is the Conversion Factor, on the same terms and for the same aggregate price that the General Partner purchased such Shares.

C. *Forfeiture of Shares.* In the event the Partnership or the General Partner acquires Shares as a result of the forfeiture of such Shares under a restricted or similar share plan, then the General Partner shall cause the Partnership to cancel that number of Partnership Units of the appropriate class equal to the number of Shares so acquired times one divided by the Conversion Factor, and, if the Partnership acquired such Shares, it shall transfer such Shares to the General Partner for cancellation.

D. *Issuances of Shares.* After the Effective Date, the General Partner shall not grant, award, or issue any additional Shares (other than Shares issued pursuant to Section 8.6 hereof or pursuant to a dividend or distribution (including any stock split) of Shares to all of its stockholders), other equity securities of the General Partner or New Securities unless (i) the General Partner shall cause, pursuant to Section 4.2.A hereof, the Partnership to issue to the General Partner Partnership Interests or rights, options, warrants or securities of the Partnership having designations, preferences and other rights, all such that the economic interests are substantially the same as those of such additional Shares, other equity securities or New Securities, as the case may be, and (ii) the General Partner transfers to the Partnership, as an additional Capital Contribution, the proceeds from the grant, award, or issuance of such additional Shares, other equity securities or New Securities, as the case may be, or from the exercise of rights contained in such additional Shares, other equity securities or New Securities, as the case may be. Without limiting the foregoing, the General Partner is expressly authorized to issue additional Shares, other equity securities or New Securities, as the case may be, for less than fair market value, and the General Partner is expressly authorized, pursuant to Section 4.2.A hereof, to cause the Partnership to issue to the General Partner corresponding Partnership Interests, as long as (a) the General Partner concludes in good faith that such issuance is in the interests of the General Partner and the Partnership (for example, and not by way of limitation, the issuance of Shares and corresponding Partnership Units pursuant to a stock purchase plan providing for purchases of Shares, either by employees or stockholders, at a discount from fair market value or pursuant to employee stock options that have an exercise price that is less than the fair market value of the Shares, either at the time of issuance or at the time of exercise) and (b) the General Partner transfers all proceeds from any such issuance or exercise to the Partnership as an additional Capital Contribution.

E. *Stock Option Plan.* If at any time or from time to time, the General Partner sells Shares pursuant to any Stock Option Plan, the General Partner shall transfer the net proceeds of the sale of such Shares to the Partnership as an additional Capital Contribution in exchange for an amount of additional Partnership Units equal to the number of Shares so sold divided by the Conversion Factor.

F. *Funding Debt.* The General Partner may incur a Funding Debt, including, without limitation, a Funding Debt that is convertible into Shares or otherwise constitutes a class of New Securities, subject to the condition that the General Partner lends to the Partnership the net proceeds of such Funding Debt; *provided*, that the General Partner shall not be obligated to lend the net proceeds of any Funding Debt to the Partnership in a manner that would be inconsistent with the General Partner's ability to remain qualified as a REIT. If the General Partner enters into any Funding Debt, the loan to the Partnership shall be on comparable terms and conditions, including interest rate, repayment schedule and costs and expenses, as are applicable with respect to or incurred in connection with such Funding Debt.

Section 7.06. Transactions with Affiliates

A. *Transactions with Certain Affiliates.* Except as expressly permitted by this Agreement (other than Section 7.1.A hereof which shall not be considered authority for a transaction that otherwise

28

would be prohibited by this Section 7.6.A), the Partnership shall not, directly or indirectly, sell, transfer or convey any property to, or purchase any property from, or borrow funds from, or lend funds to, any Partner or any Affiliate of the Partnership or the General Partner or the General Partner Entity that is not also a Subsidiary of the Partnership, except pursuant to transactions that are on terms that are fair and reasonable and no less favorable to the Partnership than would be obtained from an unaffiliated third party.

B. *Benefit Plans.* The General Partner, in its sole and absolute discretion and without the approval of the Limited Partners, may propose and adopt on behalf of the Partnership employee benefit plans funded by the Partnership for the benefit of employees of the General Partner, the Partnership, Subsidiaries of the Partnership or any Affiliate of any of them in respect of services performed, directly or indirectly, for the benefit of the Partnership, the General Partner, or any of the Partnership's Subsidiaries.

C. *Conflict Avoidance.* The General Partner is expressly authorized to enter into, in the name and on behalf of the Partnership, a right of first opportunity arrangement and other conflict avoidance agreements with various Affiliates of the Partnership and General Partner on such terms as the General Partner, in its sole and absolute discretion, believes are advisable.

Section 7.07. Indemnification

A. *General.* The Partnership shall indemnify each Indemnitee from and against any and all losses, claims, damages, liabilities, joint or several, expenses (including, without limitation, attorneys fees and other legal fees and expenses), judgments, fines, settlements and other amounts arising from or in connection with any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative incurred by the Indemnitee and relating to the Partnership or the General Partner or the formation or operations of, or the ownership of property by, either of them as set forth in this Agreement in which any such Indemnitee may be involved, or is threatened to be involved, as a party or otherwise, unless it is established by a final determination of a court of competent jurisdiction that: (i) the act or omission of the Indemnitee was material to the matter giving rise to the proceeding and either was committed in bad faith or was the result of active and deliberate dishonesty, (ii) the Indemnitee actually received an improper personal benefit in money, property or services or (iii) in the case of any criminal proceeding, the Indemnitee had reasonable cause to believe that the act or omission was unlawful. Without limitation, the foregoing indemnity shall extend to any liability of any Indemnitee, pursuant to a loan guarantee, contractual obligations for any indebtedness or other obligations or otherwise, for any indebtedness of the Partnership or any Subsidiary of the Partnership (including, without limitation, any indebtedness which the Partnership or any Subsidiary of the Partnership has assumed or taken subject to), and the General Partner is hereby authorized and empowered, on behalf of the Partnership, to enter into one or more indemnity agreements consistent with the provisions of this Section 7.7 in favor of any Indemnitee having or potentially having liability for any such indebtedness. The termination of any proceeding by judgment, order or settlement does not create a presumption that the Indemnitee did not meet the requisite standard of conduct set forth in this Section 7.7.A. The termination of any proceeding by conviction or upon a plea of *nolo contendere* or its equivalent, or an entry of an order of probation prior to judgment, creates a rebuttable presumption that the Indemnitee acted in a manner contrary to that specified in this Section 7.7.A with respect to the subject matter of such proceeding. Any indemnification pursuant to this Section 7.7 shall be made only out of the assets of the Partnership, and any insurance proceeds from the liability policy covering the General Partner and any Indemnitees, and neither the General Partner nor any Limited Partner shall have any obligation to contribute to the capital of the Partnership or otherwise provide funds to enable the Partnership to fund its obligations under this Section 7.7.

29

B. *Advancement of Expenses.* Reasonable expenses expected to be incurred by an Indemnitee shall be paid or reimbursed by the Partnership in advance of the final disposition of any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative made or threatened against an Indemnitee upon receipt by the Partnership of (i) a written affirmation by the Indemnitee of the Indemnitee's good faith belief that the standard of conduct necessary for indemnification by the Partnership as authorized in this Section 7.7 A has been met and (ii) a written undertaking by or on behalf of the Indemnitee to repay the amount if it shall ultimately be determined that the standard of conduct has not been met.

C. *No Limitation of Rights.* The indemnification provided by this Section 7.7 shall be in addition to any other rights to which an Indemnitee or any other Person may be entitled under any agreement, pursuant to any vote of the Partners, as a matter of law or otherwise, and shall continue as to an Indemnitee who has ceased to serve in such capacity unless otherwise provided in a written agreement pursuant to which such Indemnitee is indemnified.

D. *Insurance.* The Partnership may purchase and maintain insurance on behalf of the Indemnitees and such other Persons as the General Partner shall determine against any liability that may be asserted against or expenses that may be incurred by such Person in connection with the Partnership's activities, regardless of whether the Partnership would have the power to indemnify such Person against such liability under the provisions of this Agreement.

E. *Benefit Plan Fiduciary.* For purposes of this Section 7.7, (i) the Partnership shall be deemed to have requested an Indemnitee to serve as fiduciary of an employee benefit plan whenever the performance by it of its duties to the Partnership also imposes duties on, or otherwise involves services by, it to the plan or participants or beneficiaries of the plan, (ii) excise taxes assessed on an Indemnitee with respect to an employee benefit plan pursuant to applicable law shall constitute fines within the meaning of this Section 7.7 and (iii) actions taken or omitted by the Indemnitee with respect to an employee benefit plan in the performance of its duties for a purpose reasonably believed by it to be in the interest of the participants and beneficiaries of the plan shall be deemed to be for a purpose which is not opposed to the best interests of the Partnership.

F. *No Personal Liability for Limited Partners.* In no event may an Indemnitee subject any of the Partners to personal liability by reason of the indemnification provisions set forth in this Agreement.

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

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

I. *Indemnification Payments Not Distributions.* If and to the extent any payments to the General Partner pursuant to this Section 7.7 constitute gross income to the General Partner (as opposed to the repayment of advances made on behalf of the Partnership), such amounts shall constitute guaranteed payments within the meaning of Section 707(c) of the Code, shall be treated consistently therewith by the Partnership and all Partners, and shall not be treated as distributions for purposes of computing the Partners' Capital Accounts.

30

Section 7.08. Liability of the General Partner

A. *General.* Notwithstanding anything to the contrary set forth in this Agreement, the General Partner and its directors and officers shall not be liable for monetary damages to the Partnership, any Partners or any Assignees for losses sustained, liabilities incurred or benefits not derived as a result of errors in judgment or mistakes of fact or law or of any act or omission if the General Partner or its directors and officers acted in good faith.

B. *No Obligation to Consider Separate Interests of Limited Partners or Stockholders.* The Limited Partners expressly acknowledge that the General Partner is acting on behalf of the Partnership and the General Partner's stockholders collectively, that the General Partner is under no obligation to consider the separate interests of the Limited Partners (including, without limitation, the tax consequences to Limited Partners or Assignees or to such stockholders) in deciding whether to cause the Partnership to take (or decline to take) any actions. In the event of a conflict between the interests of the stockholders of the General Partner Entity on one hand and the Limited Partners on the other, the General Partner shall endeavor in good faith to resolve the conflict in manner not adverse to either the stockholders of the General Partner Entity or the Limited Partners; provided, however, that for so long as the General Partner Entity, directly, or the General Partner, owns a controlling interest in the Partnership, any such conflict that cannot be resolved in a manner not adverse to either the stockholders of the General Partner Entity or the Limited Partners shall be resolved in favor of the stockholders. The General Partner shall not be liable for monetary damages or otherwise for losses sustained, liabilities incurred or benefits not derived by Limited Partners in connection with such decisions, provided that the General Partner has acted in good faith.

C. *Actions of Agents.* Subject to its obligations and duties as General Partner set forth in Section 7.1.A above, the General Partner may exercise any of the powers granted to it by this Agreement and perform any of the duties imposed upon it hereunder either directly or by or through its employees or agents. The General Partner shall not be responsible for any misconduct or negligence on the part of any such employee or agent appointed by the General Partner in good faith.

D. *Effect of Amendment.* Any amendment, modification or repeal of this Section 7.8 or any provision hereof shall be prospective only and shall not in any way affect the limitations on the General Partner's liability to the Partnership and the Limited Partners under this Section 7.8 as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

E. *Certain Definitions.* Whenever in this Agreement the General Partner is permitted or required to make a decision (i) in its "sole discretion" or "discretion," or under a similar grant of authority or latitude, the General Partner shall be entitled to consider such interests and factors as it desires and may consider its own interests, and shall have no duty or obligation to give any consideration to any interest of or factors affecting the Partnership or the Limited Partners, or (ii) in its "good faith" or under another express standard, the General Partner shall act under such express standard and shall not be subject to any other or different standards imposed by this Agreement or by law or any other agreement contemplated herein.

Section 7.09. Other Matters Concerning the General Partner

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

B. *Reliance on Advisors.* The General Partner may consult with legal counsel, accountants, appraisers, management consultants, investment bankers and other consultants and advisors selected by

it, and any act taken or omitted to be taken in reliance upon the opinion of such Persons as to matters which the General Partner reasonably believes to be within such Person's professional or expert competence shall be conclusively presumed to have been done or omitted in good faith and in accordance with such opinion.

C. *Action Through Agents.* The General Partner shall have the right, in respect of any of its powers or obligations hereunder, to act through any of its duly authorized officers and a duly appointed attorney or attorneys-in-fact. Each such attorney shall, to the extent provided by the General Partner in the power of attorney, have full power and authority to do and perform all and every act and duty which is permitted or required to be done by the General Partner hereunder.

D. *Actions to Maintain REIT Status or Avoid Taxation of the General Partner Entity.* Notwithstanding any other provisions of this Agreement or the Act, any action of the General Partner on behalf of the Partnership or any decision of the General Partner to refrain from acting on behalf of the Partnership undertaken in the good faith belief that such action or omission is necessary or advisable in order (i) to protect the ability of the General Partner Entity to continue to qualify as a REIT or (ii) to allow the General Partner Entity to avoid incurring any liability for taxes under Section 857 or 4981 of the Code, is expressly authorized under this Agreement and is deemed approved by all of the Limited Partners.

Section 7.10. Reliance by Third Parties

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

Section 7.11. Restrictions on General Partner's Authority

A. *Consent Required.* The General Partner may not take any action in contravention of an express prohibition or limitation of this Agreement without the written Consent of (i) all Partners adversely affected or (ii) such lower percentage of the Limited Partnership Interests as may be specifically provided for under a provision of this Agreement or the Act.

B. *Sale of All Assets of the Partnership.* Except as provided in Article XIII hereof and subject to Section 7.11.C and Section 7.11.D below, the General Partner may not, directly or indirectly, cause the Partnership to sell, exchange, transfer or otherwise dispose of all or substantially all of the Partnership's assets in a single transaction or a series of related transactions (including by way of merger (including a triangular merger), consolidation or other combination with any other Persons) (i) if such merger, sale

or other transaction is in connection with a Termination Transaction permitted under Section 11.2.B hereof, without the Consent of the Partners holding a majority of Percentage Interests (including the effect of any Partnership Units held by the General Partner) or (ii) otherwise, without the Consent of the Outside Limited Partners.

C. *Required Consent of Certain Partners.* (i) The General Partner may not, directly or indirectly, cause the Partnership to take any action prohibited by this Section 7.11.C without the requisite approval as provided in this Section 7.11.C.

(1) For a period of twelve (12) years following the Effective Date, the General Partner may not, directly or indirectly, cause the Partnership to sell, exchange or otherwise dispose of the property located at 673 First Avenue, New York, New York or any indirect interest therein (collectively, the "673 First Avenue Property") (other than an involuntary sale pursuant to foreclosure of the mortgage secured by the 673 First Avenue Property or otherwise, including pursuant to a deed in lieu of foreclosure (provided that the General Partner may not execute any deed in lieu of foreclosure unless the maturity of the indebtedness secured by the 673 First Avenue Property has been accelerated) or a proceeding in connection with a bankruptcy) without the consent of the Partners who at the time of the proposed sale, exchange or other disposition (other than the General Partner or the General Partner Entity or any Subsidiary of either the General Partner or the General Partner Entity) hold seventy-five percent (75%) of the Partnership Units which were issued to or with respect to 673 First Realty Company in the Consolidation and which remain outstanding (whether held by the original recipient of such Partnership Units or by a successor or transferee of the original recipient, but not including the General Partner or the General Partner Entity or any Subsidiary of either the General Partner or the General Partner Entity) excluding any such Partnership Units the adjusted tax basis of which has been increased, in the hands of the holder or any predecessor holder thereof, to reflect fair market value through a taxable disposition or otherwise (referred to as "673 First Avenue Units"). In addition, during such twelve-year period, the General Partner may not, directly or indirectly, cause the Partnership to repay, earlier than one year prior to its stated maturity, any indebtedness secured by the 673 First Avenue Property without the consent of Partners holding seventy-five percent (75%) of the 673 First Avenue Units, unless such repayment (a) is made in connection with the refinancing (on a basis such that the new debt would be considered a Nonrecourse Liability, or, as contemplated by clause (2) below, a Partner Nonrecourse Debt) of such indebtedness for an amount not less than the principal amount of such indebtedness on the date of such refinancing, with such refinancing indebtedness (1) providing for the least amount of principal amortization as is available on commercially reasonable terms and (2) permitting (but not requiring) a guarantee of such indebtedness by the holders of the 673 First Avenue Units (or the direct or indirect partners or members thereof) who elect to join in such guarantee in a form and on terms consistent with any guarantees by the holders of the 673 First Avenue Units (or the direct or indirect partners or members thereof) that may be in effect immediately prior to such refinancing, provided that the opportunity to provide such guarantee may be obtained on commercially reasonable terms, or (b) is made in connection with an involuntary sale pursuant to foreclosure of the mortgage secured by the 673 First Avenue Property or otherwise, including pursuant to a deed in lieu of foreclosure (provided that the General Partner may not execute any deed in lieu of foreclosure unless the maturity of the indebtedness secured by the 673 First Avenue Property has been accelerated) or a proceeding in connection with a bankruptcy. During such twelve-year period, the General Partner shall use commercially reasonable efforts during the one-year period prior to the stated maturity of such indebtedness to cause the Operating Partnership to refinance (on a basis such that the new debt would be considered a Nonrecourse Liability, or, as contemplated by clause (2) below, a Partner Nonrecourse Debt) the indebtedness for an amount not less than the principal amount of such indebtedness on the date of such refinancing, provided such refinancing can be obtained on commercially reasonable terms, with such refinancing indebtedness (1) providing for the least

amount of principal amortization as is available on commercially reasonable terms and (2) permitting (but not requiring) a guarantee of such indebtedness by the holders of the 673 First Avenue Units (or the direct or indirect partners or members thereof) who elect to join in such guarantee in a form and on terms consistent with any guarantees by the holders of the 673 First Avenue Units (or the direct or indirect partners or members thereof) that may be in effect immediately prior to such refinancing, provided that the opportunity to provide such guarantee may be obtained on commercially reasonable terms. Finally, during such twelve-year period, the General Partner shall not, without the consent of Partners holding seventy-five percent (75%) of the 673 First Avenue Units, incur indebtedness secured by the 673 First Avenue Property if, at the time such indebtedness is incurred, the aggregate amount of the indebtedness secured by the 673 First Avenue Property would exceed the greater of (i) seventy-five percent (75%) of the fair market value of the 673 First Avenue Property (or the interest therein) securing such indebtedness or (ii) the then outstanding indebtedness being refinanced plus all costs (including prepayment fees, "breakage" payments and similar costs) incurred in connection with such refinancing.

(2) For a period of twelve (12) years following the Effective Date, the General Partner may not, directly or indirectly, cause the Partnership to sell, exchange or otherwise dispose of the property located at 470 Park Avenue South, New York, New York or any indirect interest therein (collectively, the "470 Park Avenue South Property") (other than an involuntary sale pursuant to foreclosure of the mortgage secured by the 470 Park Avenue South Property or otherwise, including pursuant to a deed in lieu of foreclosure (provided that the General Partner

may not execute any deed in lieu of foreclosure unless maturity of the indebtedness secured by the 470 Park Avenue South Property has been accelerated) or a proceeding in connection with a bankruptcy) without the consent of the Partners who at the time of the proposed sale, exchange or other disposition (other than the General Partner or the General Partner Entity or any Subsidiary of either the General Partner or the General Partner Entity) hold seventy-five percent (75%) of the Partnership Units which were issued to or with respect to the 470 Park Avenue South, L.P. in the Consolidation and which remain outstanding (whether held by the original recipient of such Partnership Units or by a successor or transferee of the original recipient, but not including the General Partner or the General Partner Entity or any Subsidiary of either the General Partner or the General Partner Entity) excluding any such Partnership Units the adjusted tax basis of which has been increased, in the hands of the holder or any predecessor holder thereof, to reflect fair market value through a taxable disposition or otherwise (referred to as "470 Park Avenue South Units"). In addition, during such twelve-year period, the General Partner may not, directly or indirectly, cause the Partnership to repay, earlier than one year prior to its stated maturity, any indebtedness secured by the 470 Park Avenue South Property without the consent of Partners who hold seventy-five percent (75%) of the 470 Park Avenue South Units, unless such repayment (a) is made in connection with the refinancing (on a basis such that the new debt would be considered a Nonrecourse Liability, or, as contemplated by clause (2) below, a Partner Nonrecourse Debt) of such indebtedness for an amount not less than the principal amount of such indebtedness on the date of such refinancing, with such refinancing indebtedness (1) providing for the least amount of principal amortization as is available on commercially reasonable terms and (2) permitting (but not requiring) a guarantee of such indebtedness by the holders of the 470 Park Avenue South Units (or the direct or indirect partners or members thereof) who elect to join in such guarantee in a form and on terms consistent with any guarantees by the holders of the 470 Park Avenue South Units (or the direct or indirect partners or members thereof) that may be in effect immediately prior to such refinancing, provided that the opportunity to provide such guarantee may be obtained on commercially reasonable terms, or (b) is made in connection with an involuntary sale pursuant to foreclosure of the mortgage secured by the 470 Park Avenue South Property or otherwise, including pursuant to a deed in lieu of foreclosure (provided that the General Partner may not execute any deed in lieu of foreclosure unless the maturity of the indebtedness secured by

34

the 470 Park Avenue South Property has been accelerated) or a proceeding in connection with a bankruptcy. During such twelve-year period, the General Partner shall use commercially reasonable efforts during the one-year period prior to the stated maturity of such indebtedness to cause the Operating Partnership to refinance (on a basis such that the new debt would be considered a Nonrecourse Liability, or, as contemplated by clause (2) below, a Partner Nonrecourse Debt) the indebtedness for an amount not less than the principal amount of such indebtedness on the date of such refinancing, provided such refinancing can be obtained on commercially reasonable terms, with such refinancing indebtedness (1) providing for the least amount of principal amortization as is available on commercially reasonable terms and (2) permitting (but not requiring) a guarantee of such indebtedness by the holders of the 470 Park Avenue South Units (or the direct or indirect partners or members thereof) who elect to join in such guarantee in a form and on terms consistent with any guarantees by the holders of the 470 Park Avenue South Units (or the direct or indirect partners or members thereof) that may be in effect immediately prior to such refinancing, provided that the opportunity to provide such guarantee may be obtained on commercially reasonable terms. Finally, during such twelve-year period, the General Partner shall not, without the consent of Partners holding seventy-five percent (75%) of the 470 Park Avenue South Units, incur indebtedness secured by the 470 Park Avenue South Property if, at the time such indebtedness is incurred, the aggregate amount of the indebtedness secured by the 470 Park Avenue South Property would exceed the greater of (i) seventy-five percent (75%) of the fair market value of the 470 Park Avenue South Property (or the interest therein) securing such indebtedness or (ii) the then outstanding indebtedness being refinanced plus all costs (including prepayment fees, "breakage" payments and similar costs) incurred in connection with such refinancing.

(3) Subparagraphs (1) and (2) shall not apply to any transaction that involves the 673 First Avenue Property or the 470 Park Avenue South Property, as the case may be (which Property is referred to as the "Exchanged Property"), if such transaction qualifies as a like-kind exchange under Section 1031 of the Code in which no gain is recognized by the Partnership as long as the following conditions are satisfied: (x) such exchange is not with a "related party" within the meaning of Section 1031(f)(3) of the Code; (y) the property received in exchange for the Exchanged Property (referred to as the "Replacement Property") is secured by nonrecourse indebtedness in an amount not less than the outstanding principal amount of the nonrecourse indebtedness secured by the Exchanged Property at the time of the exchange, nor greater than the amount that would be permitted under Sections 7.11.C(1) or (2), as the case may be, with a maturity not earlier than, and a principal amortization rate not more rapid than, the maturity and principal amortization rate of such indebtedness secured by the Exchanged Property, which indebtedness permits (but does not require) a guarantee of such indebtedness by the holders of the 673 First Avenue Units or the 470 Park Avenue South Units (or the direct or indirect partners or members thereof), as the case may be, who elect to join in such guarantee in a form on terms consistent with any guarantees by the holders of the 673 First Avenue Units or the 470 Park Avenue South Units (or the direct or indirect partners or members thereof), as the case may be, that may be in effect immediately prior to the time of the exchange, and (z) the Replacement Property is thereafter treated for all purposes of the restrictions in this Section 7.11.C as the Exchanged Property and the indebtedness secured by such Replacement Property is subject to the same restrictions and agreements as apply with respect to the indebtedness secured by the Exchanged Property.

(4) Subparagraphs (1) and (2) shall not apply to any transaction that involves the 673 First Avenue Property or the 470 Park Avenue South Property, as the case may be (which Property is referred to as the "Transferred Property"), if (x) such transaction does not result in, and is not otherwise in connection with, a dissolution of the Partnership, (y) such transaction qualifies as a contribution to a partnership under Section 721 of the Code in which no gain is recognized with

35

respect to the 673 First Avenue Property or the 470 Park Avenue South Property by the Partnership or the holders of the 673 First Avenue Units or the 470 Park Avenue South Units, as the case may be (other than gain, if any, resulting solely because the share, if any, of indebtedness allocable to the holder of a Partnership Unit under Regulations Section 1.752-3(a)(3) (or any successor thereto) is reduced or eliminated), and (z) the entity to which such Transferred Property is transferred agrees, for the benefit of the holders of the 470 Park Avenue South Units or the 673 First Avenue Units, as the case may be, that all of the restrictions of this Section 7.11.C shall apply to the Transferred Property and the indebtedness outstanding with respect thereto in the same manner and to the extent set forth in this Section 7.11.C and such agreement is reflected in the partnership agreement (or other comparable governing instrument) of the entity to which the Transferred Property is transferred.

(5) Subparagraphs (1) and (2) shall not apply to any transaction that involves either a merger or consolidation of the Partnership with or into another entity that qualifies as a "partnership" for federal income tax purposes (the "Successor Partnership") or a transfer of all or substantially all of the assets of the Partnership to a Successor Partnership and dissolution of the Partnership in connection therewith (in either case, a "Consolidation Transaction") so long as (y) no gain is recognized with respect to the 673 First Avenue Property or the 470 Park Avenue South Property by the Partnership or the holders of the 673 First Avenue Units or the 470 Park Avenue South Units, as the case may be, in connection with such Consolidation Transaction (other than gain, if any, resulting solely because the share, if any, of indebtedness allocable to the holder of a Partnership Unit under Regulations Section 1.752-3(a)(3) (or any successor thereto) is reduced or eliminated) and (y) the Successor Partnership agrees in writing, for the benefit of the holders of the 673 First Avenue Units or the 470 Park Avenue South Units, as the case may be, that all of the restrictions of this Section 7.11.C shall apply to the 673 First Avenue Property and the 470 Park Avenue South Property and the indebtedness outstanding with respect thereto in the same manner and to the extent set forth in this Section 7.11.C.

(6) Subparagraphs (1) and (2) shall not apply to any sale or other disposition transaction not otherwise described in Subparagraph (3), (4) or (5) (including a merger or consolidation) involving the 673 First Avenue Property and/or the 470 Park Avenue South Property that is undertaken in connection with and as an integral part of a sale or other disposition of all or substantially all of the assets of the Partnership (referred to as a "Liquidating Transaction") so long as the Liquidating Transaction is undertaken with the Consent of Certain Limited Partners.

(i) Nothing herein shall be deemed to require that the Partnership or the General Partner take any action to avoid or prevent an involuntary disposition of any property, whether pursuant to foreclosure of a mortgage secured by such property or otherwise, including pursuant to a deed in lieu of foreclosure where the maturity of the related indebtedness has been accelerated or a proceeding in connection with a bankruptcy.

(ii) Nothing herein shall prevent the sale, exchange, transfer or other disposition of any property pursuant to the dissolution and liquidation of the Partnership in accordance with Article XIII hereof (other than Section 13.1(v), which shall be subject to this Section 7.11.C).

D. *Merger or Consolidation in Which the Partnership is Not the Surviving Entity.* In the event that the Partnership is to merge or consolidate with or into any other entity in a transaction in which holders of Partnership Units will receive consideration other than cash or equity securities that are Publicly Traded (an "Equity Merger") and such Equity Merger would be prohibited by Section 7.11.C but for the application of Section 7.11.C(5), then (in addition to any Consent requirements under

36

Section 7.11.B and Section 7.11.C) the Equity Merger shall require the Consent of Certain Limited Partners unless:

(i) the partnership agreement, limited liability agreement or other operative governing documents (the "Charter Documents") of the entity that is the surviving entity in such Equity Merger contain provisions that are comparable in all material respects to, or the entity that is the surviving entity in such Equity Merger otherwise agrees in writing, for the benefit of the holders of the 673 First Avenue Units and the 470 Park Avenue South Units, to restrictions that are comparable in all material respects to the provisions of Section 4.2.A, Article V and Article VI (except for differences that would be permitted pursuant to Sections 4.2, 5.1.E, 5.4, 6.2 and 14.1.B(3) if such changes were to be made to this Agreement), Section 7.1.A (second sentence only), Section 7.6.A, Section 7.11.A, Section 7.11.B, this Section 7.11.D, Section 8.6 (and all defined terms set forth in Article I that relate to the Redemption Right), Section 11.2, Section 13.1, Section 13.2.A(3) (except as permitted pursuant to Sections 4.2, 5.4, 6.2 and 14.1 B(3)), Section 14.1.C, Section 14.1.D, and Section 14.2, all as in effect immediately prior to the Equity Merger; and

(iii) the Equity Merger would not either cause a holder of a Partnership Unit to be a general partner or to have liability equivalent to that of a general partner in a partnership or otherwise modify the limited liability of a Limited Partner under this Agreement.

Section 7.12. Loans by Third Parties

The Partnership may incur Debt, or enter into similar credit, guarantee, financing or refinancing arrangements for any purpose (including, without limitation, in connection with any acquisition of property) with any Person that is not the General Partner upon such terms as the General Partner determines appropriate; *provided that*, the Partnership shall not incur any Debt that is recourse to the General Partner, except to the extent otherwise agreed to by the General Partner in its sole discretion.

37

ARTICLE VIII.

RIGHTS AND OBLIGATIONS OF LIMITED PARTNERS

Section 8.01. Limitation of Liability

The Limited Partners shall have no liability under this Agreement except as expressly provided in this Agreement, including Section 10.5 hereof, or under the Act.

Section 8.02. Management of Business

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

Section 8.03. Outside Activities of Limited Partners

Subject to Section 7.5 hereof, and subject to any agreements entered into pursuant to Section 7.6.C hereof and to any other agreements entered into by a Limited Partner or its Affiliates with the Partnership or a Subsidiary, any Limited Partner (other than the General Partner) and any officer, director, employee, agent, trustee, Affiliate or stockholder of any Limited Partner shall be entitled to and may have business interests and engage in business activities in addition to those relating to the Partnership, including business interests and activities in direct or indirect competition with the Partnership. Neither the Partnership nor any Partners shall have any rights by virtue of this Agreement in any business ventures of any Limited Partner or Assignee. None of the Limited Partners (other than the General Partner) nor any other Person shall have any rights by virtue of this Agreement or the partnership relationship established hereby in any business ventures of any other Person (other than the General Partner to the extent expressly provided herein), and such Person shall have no obligation pursuant to this Agreement to offer any interest in any such business ventures to the Partnership, any Limited Partner or any such other Person, even if such opportunity is of a character which, if presented to the Partnership, any Limited Partner or such other Person, could be taken by such Person.

Section 8.04. Return of Capital

Except pursuant to the right of redemption set forth in Section 8.6 below, no Limited Partner shall be entitled to the withdrawal or return of its Capital Contribution, except to the extent of distributions made pursuant to this Agreement or upon termination of the Partnership as provided herein. No Limited Partner or Assignee shall have priority over any other Limited Partner or Assignee either as to the return of Capital Contributions (except as permitted by Section 4.2.A hereof) or, except to the extent provided by Exhibit C hereto or as permitted by Sections 4.2.A, 5.1.B(i), 6.1.A(ii) and 6.1.B(i) hereof or otherwise expressly provided in this Agreement, as to profits, losses, distributions or credits.

Section 8.05. Rights of Limited Partners Relating to the Partnership

A. *General.* In addition to other rights provided by this Agreement or by the Act, and except as limited by Section 8.5.D below, each Limited Partner shall have the right, for a purpose reasonably

38

related to such Limited Partner's interest as a limited partner in the Partnership, upon written demand with a statement of the purpose of such demand and at such Limited Partner's own expense:

- (1) to obtain a copy of the most recent annual and quarterly reports filed with the Securities and Exchange Commission by the General Partner Entity pursuant to the Exchange Act;
- (2) to obtain a copy of the Partnership's federal, state and local income tax returns for each Partnership Year;
- (3) to obtain a current list of the name and last known business, residence or mailing address of each Partner;
- (4) to obtain a copy of this Agreement and the Certificate and all amendments thereto, together with executed copies of all powers of attorney pursuant to which this Agreement, the Certificate and all amendments thereto have been executed; and
- (5) to obtain true and full information regarding the amount of cash and a description and statement of any other property or services contributed by each Partner and which each Partner has agreed to contribute in the future, and the date on which each became a Partner.

B. *Notice of Conversion Factor.* The Partnership shall notify each Limited Partner upon request of the then current Conversion Factor and any changes that have been made thereto.

C. *Notice of Extraordinary Transaction of the General Partner Entity.* The General Partner Entity shall not make any extraordinary distributions of cash or property to its stockholders or effect a merger (including without limitation, a triangular merger), a sale of all or substantially all of its assets or any other similar extraordinary transaction without notifying the Limited Partners of its intention to make such distribution or effect such merger, sale or other extraordinary transaction at least twenty (20) Business Days prior to the record date to determine stockholders eligible to receive such distribution or to vote upon the approval of such merger, sale or other extraordinary transaction (or, if no such record date is applicable, at least twenty (20) Business Days before consummation of such merger, sale or other extraordinary transaction). This provision for such notice shall not be deemed (i) to permit any transaction that otherwise is prohibited by this Agreement or requires a Consent of the Partners or (ii) to require a Consent of the Limited Partners to a transaction that does not otherwise require Consent under this Agreement. Each Limited Partner agrees, as a condition to the receipt of the notice pursuant hereto, to keep confidential the information set forth therein until such time as the General Partner Entity has made public disclosure thereof and to use such information during such period of confidentiality solely for purposes of determining whether or not to exercise the Redemption Right; *provided, however*, that a

Limited Partner may disclose such information to its attorney, accountant and/or financial advisor for purposes of obtaining advice with respect to such exercise so long as such attorney, accountant and/or financial advisor agrees to receive and hold such information subject to this confidentiality requirement.

D. *Confidentiality.* Notwithstanding any other provision of this Section 8.5, the General Partner may keep confidential from the Limited Partners, for such period of time as the General Partner determines in its sole and absolute discretion to be reasonable, any information that (i) the General Partner reasonably believes to be in the nature of trade secrets or other information the disclosure of which the General Partner in good faith believes is not in the best interests of the Partnership or could damage the Partnership or its business or (ii) the Partnership is required by law or by agreements with unaffiliated third parties to keep confidential.

Section 8.06. Redemption Right

A. *General.* (i) Subject to Section 8.6.C below, on or after the date two (2) years after the issuance of a Partnership Unit to a Limited Partner pursuant to Article IV hereof (which two-year period shall commence upon the issuance of such Partnership Unit regardless of whether such

39

Partnership Unit is designated upon issuance as a Class A Unit, a Class B Unit or otherwise and shall include the period of time from the date such Partnership Unit is issued to such Limited Partner as other than a Class A Unit until the date such Partnership Unit is converted automatically to a Class A Unit pursuant to Section 4.2.C hereof), or on or after such date prior to the expiration of such two-year period as the General Partner, in its sole and absolute discretion, designates with respect to any or all Class A Units then outstanding, the holder of a Partnership Unit (if other than the General Partner or the General Partner Entity) shall have the right (the "Redemption Right") to require the Partnership to redeem such Partnership Unit on a Specified Redemption Date and at a redemption price equal to and in the form of the Cash Amount to be paid by the Partnership. Any such Redemption Right shall be exercised pursuant to a Notice of Redemption delivered to the Partnership (with a copy to the General Partner) by the Limited Partner who is exercising the Redemption Right (the "Redeeming Partner"). A Limited Partner may not exercise the Redemption Right for less than one thousand (1,000) Partnership Units or, if such Redeeming Partner holds less than one thousand (1,000) Partnership Units, for less than all of the Partnership Units held by such Redeeming Partner.

(i) The Redeeming Partner shall have no right with respect to any Partnership Units so redeemed to receive any distributions paid after the Specified Redemption Date.

(ii) The Assignee of any Limited Partner may exercise the rights of such Limited Partner pursuant to this Section 8.6 and such Limited Partner shall be deemed to have assigned such rights to such Assignee and shall be bound by the exercise of such rights by such Limited Partner's Assignee. In connection with any exercise of the such rights by such Assignee on behalf of such Limited Partner, the Cash Amount shall be paid by the Partnership directly to such Assignee and not to such Limited Partner.

(iii) In the event that the General Partner provides notice to the Limited Partners pursuant to Section 8.5.C hereof, the Redemption Right shall be exercisable, without regard to whether the Partnership Units have been outstanding for any specified period, during the period commencing on the date on which the General Partner provides such notice and ending on the record date to determine stockholders eligible to receive such distribution or to vote upon the approval of such merger, sale or other extraordinary transaction (or, if no record date is applicable, at least twenty (20) business days before the consummation of such merger, sale or other extraordinary transaction). In the event that this subparagraph (iv) applies, the Specified Redemption Date is the date on which the Partnership and the General Partner receive notice of exercise of the Redemption Right, rather than ten (10) Business Days after receipt of the notice of redemption.

B. *General Partner Assumption of Right.* (i) If a Limited Partner has delivered a Notice of Redemption, the General Partner may, in its sole and absolute discretion (subject to any limitations on ownership and transfer of Shares set forth in the Articles of Incorporation), elect to assume directly and satisfy a Redemption Right by paying to the Redeeming Partner either the Cash Amount or the Shares Amount, as the General Partner determines in its sole and absolute discretion (provided that payment of the Redemption Amount in the form of Shares shall be in Shares registered under Section 12 of the Exchange Act and listed for trading on the exchange or national market on which the Shares are Publicly Traded, and *provided, further* that, in the event that the Shares are not Publicly Traded at the time a Redeeming Partner exercises its Redemption Right, the Redemption Amount shall be paid only in the form of the Cash Amount unless the Redeeming Partner, in its sole and absolute discretion, consents to payment of the Redemption Amount in the form of the Shares Amount), on the Specified Redemption Date, whereupon the General Partner shall acquire the Partnership Units offered for redemption by the Redeeming Partner and shall be treated for all purposes of this Agreement as the owner of such Partnership Units. Unless the General Partner, in its sole and absolute discretion, shall exercise its right to assume directly and satisfy the Redemption Right, the General Partner shall not have any obligation to the Redeeming Partner or to the Partnership with respect to the Redeeming Partner's exercise of the Redemption Right. In the event the General Partner shall exercise its right to

40

satisfy the Redemption Right in the manner described in the first sentence of this Section 8.6.B and shall fully perform its obligations in connection therewith, the Partnership shall have no right or obligation to pay any amount to the Redeeming Partner with respect to such Redeeming Partner's exercise of the Redemption Right, and each of the Redeeming Partner, the Partnership and the General Partner shall, for federal income tax purposes, treat the transaction between the General Partner and the Redeeming Partner as a sale of the Redeeming Partner's Partnership Units to the General Partner. Nothing contained in this Section 8.6.B shall imply any right of the General Partner to require any Limited Partner to exercise the Redemption Right afforded to such Limited Partner pursuant to Section 8.6.A above.

(iv) In the event that the General Partner determines to pay the Redeeming Partner the Redemption Amount in the form of Shares, the total number of Shares to be paid to the Redeeming Partner in exchange for the Redeeming Partner's Partnership Units shall be the applicable Shares Amount. In the event this amount is not a whole number of Shares, the Redeeming Partner shall be paid (i) that number of Shares which equals the nearest whole number less than such amount plus (ii) an amount of cash which the General Partner determines, in its reasonable discretion, to represent the fair value of the remaining fractional Share which would otherwise be payable to the Redeeming Partner.

(v) Each Redeeming Partner agrees to execute such documents as the General Partner may reasonably require in connection with the issuance of Shares upon exercise of the Redemption Right.

C. *Exceptions to Exercise of Redemption Right.* Notwithstanding the provisions of Sections 8.6.A and 8.6.B above, a Partner shall not be entitled to exercise the Redemption Right pursuant to Section 8.6.A above if (but only as long as) the delivery of Shares to such Partner on the Specified Redemption Date (i) would be prohibited under the Articles of Incorporation or (ii) as long as the Shares are Publicly Traded, would be prohibited under applicable federal or state securities laws or regulations (in each case regardless of whether the General Partner would in fact assume and satisfy the Redemption Right).

D. *No Liens on Partnership Units Delivered for Redemption.* Each Limited Partner covenants and agrees with the General Partner that all Partnership Units delivered for redemption shall be delivered to the Partnership or the General Partner, as the case may be, free and clear of all liens, and, notwithstanding anything contained herein to the contrary, neither the General Partner nor the Partnership shall be under any obligation to acquire Partnership Units which are or may be subject to any liens. Each Limited Partner further agrees that, in the event any state or local property transfer tax is payable as a result of the transfer of its Partnership Units to the Partnership or the General Partner, such Limited Partner shall assume and pay such transfer tax.

E. *Additional Partnership Interests.* In the event that the Partnership issues Partnership Interests to any Additional Limited Partner pursuant to Article IV hereof, the General Partner shall make such amendments to this Section 8.6 as it determines are necessary to reflect the issuance of such Partnership Interests (including setting forth any restrictions on the exercise of the Redemption Right with respect to such Partnership Interests).

ARTICLE IX.

BOOKS, RECORDS, ACCOUNTING AND REPORTS

Section 9.01. Records and Accounting

The General Partner shall keep or cause to be kept at the principal office of the Partnership appropriate books and records with respect to the Partnership's business, including, without limitation, all books and records necessary to provide to the Limited Partners any information, lists and copies of documents required to be provided pursuant to Section 9.3 below. Any records maintained by or on

behalf of the Partnership in the regular course of its business may be kept on, or be in the form of, punch cards, magnetic tape, photographs, micrographics or any other information storage device, provided that the records so maintained are convertible into clearly legible written form within a reasonable period of time. The books of the Partnership shall be maintained, for financial and tax reporting purposes, on an accrual basis in accordance with generally accepted accounting principles.

Section 9.02. Fiscal Year

The fiscal year of the Partnership shall be the calendar year.

Section 9.03. Reports

A. *Annual Reports.* As soon as practicable, but in no event later than the date on which the General Partner Entity mails its annual report to its stockholders, the General Partner shall cause to be mailed to each Limited Partner an annual report, as of the close of the most recently ended Partnership Year, containing financial statements of the Partnership, or of the General Partner Entity if such statements are prepared solely on a consolidated basis with the Partnership, for such Partnership Year, presented in accordance with generally accepted accounting principles, such statements to be audited by a nationally recognized firm of independent public accountants selected by the General Partner Entity.

B. *Quarterly Reports.* If and to the extent that the General Partner Entity mails quarterly reports to its stockholders, as soon as practicable, but in no event later than the date on which such reports are mailed, the General Partner shall cause to be mailed to each Limited Partner a report containing unaudited financial statements, as of the last day of such calendar quarter, of the Partnership, or of the General Partner Entity if such statements are prepared solely on a consolidated basis with the Partnership, and such other information as may be required by applicable law or regulation, or as the General Partner determines to be appropriate.

ARTICLE X.

TAX MATTERS

Section 10.01. Preparation of Tax Returns

The General Partner shall arrange for the preparation and timely filing of all returns of Partnership income, gains, deductions, losses and other items required of the Partnership for federal and state income tax purposes and shall use all reasonable efforts to furnish, within ninety (90) days of the close of each taxable year, the tax information reasonably required by Limited Partners for federal and state income tax reporting purposes.

Section 10.02. Tax Elections

Except as otherwise provided herein, the General Partner shall, in its sole and absolute discretion, determine whether to make any available election pursuant to the Code; *provided, however*, that the General Partner shall make the election under Section 754 of the Code in accordance with applicable Regulations thereunder. The General Partner shall have the right to seek to revoke any such election (including, without limitation, the election under Section 754 of the Code) upon the General Partner's determination in its sole and absolute discretion that such revocation is in the best interests of the Partners.

Section 10.03. Tax Matters Partner

A. *General.* The General Partner shall be the "tax matters partner" of the Partnership for federal income tax purposes. Pursuant to Section 6223(c)(3) of the Code, upon receipt of notice from the IRS of the beginning of an administrative proceeding with respect to the Partnership, the tax matters partner shall furnish the IRS with the name, address, taxpayer identification number and profit

interest of each of the Limited Partners and any Assignees; *provided, however*, that such information is provided to the Partnership by the Limited Partners.

B. *Powers.* The tax matters partner is authorized, but not required:

(1) to enter into any settlement with the IRS with respect to any administrative or judicial proceedings for the adjustment of Partnership items required to be taken into account by a Partner for income tax purposes (such administrative proceedings being referred to as a "tax audit" and such judicial proceedings being referred to as "judicial review"), and in the settlement agreement the tax matters partner may expressly state that such agreement shall bind all Partners, except that such settlement agreement shall not bind any Partner (i) who (within the time prescribed pursuant to the Code and Regulations) files a statement with the IRS providing that the tax matters partner shall not have the authority to enter into a settlement agreement on behalf of such Partner or (ii) who is a "notice partner" (as defined in Section 6231(a)(8) of the Code) or a member of a "notice group" (as defined in Section 6223(b)(2) of the Code);

(2) in the event that a notice of a final administrative adjustment at the Partnership level of any item required to be taken into account by a Partner for tax purposes (a "final adjustment") is mailed to the tax matters partner, to seek judicial review of such final adjustment, including the filing of a petition for readjustment with the Tax Court or the filing of a complaint for refund with the United States Claims Court or the District Court of the United States for the district in which the Partnership's principal place of business is located;

(3) to intervene in any action brought by any other Partner for judicial review of a final adjustment;

(4) to file a request for an administrative adjustment with the IRS at any time and, if any part of such request is not allowed by the IRS, to file an appropriate pleading (petition or complaint) for judicial review with respect to such request;

(5) to enter into an agreement with the IRS to extend the period for assessing any tax which is attributable to any item required to be taken into account by a Partner for tax purposes, or an item affected by such item; and

(6) to take any other action on behalf of the Partners of the Partnership in connection with any tax audit or judicial review proceeding to the extent permitted by applicable law or regulations.

The taking of any action and the incurring of any expense by the tax matters partner in connection with any such proceeding, except to the extent required by law, is a matter in the sole and absolute discretion of the tax matters partner and the provisions relating to indemnification of the General Partner set forth in Section 7.7 hereof shall be fully applicable to the tax matters partner in its capacity as such.

C. *Reimbursement.* The tax matters partner shall receive no compensation for its services. All third party costs and expenses incurred by the tax matters partner in performing its duties as such (including legal and accounting fees and expenses) shall be borne by the Partnership. Nothing herein shall be construed to restrict the Partnership from engaging an accounting firm or a law firm to assist the tax matters partner in discharging its duties hereunder, as long as the compensation paid by the Partnership for such services is reasonable.

Section 10.04. Organizational Expenses

The Partnership shall elect to deduct expenses, if any, incurred by it in organizing the Partnership ratably over a sixty (60) month period as provided in Section 709 of the Code.

Section 10.05. Withholding

Each Limited Partner hereby authorizes the Partnership to withhold from or pay on behalf of or with respect to such Limited Partner any amount of federal, state, local, or foreign taxes that the General Partner determines that the Partnership is required to withhold or pay with respect to any amount distributable or allocable to such Limited Partner pursuant to this Agreement, including, without limitation, any taxes required to be withheld or paid by the Partnership pursuant to Section 1441, 1442, 1445, or 1446 of the Code. Any amount paid on behalf of or with respect to a Limited Partner shall constitute a recourse loan by the Partnership to such Limited Partner, which loan shall be repaid by such Limited Partner within fifteen (15) days after notice from the General Partner that such payment must be made unless (i) the Partnership withholds such payment from a distribution which would otherwise be made to the Limited Partner or (ii) the General Partner determines, in its sole and absolute discretion, that such payment may be satisfied out of the available funds of the Partnership which would, but for such payment, be distributed to the Limited Partner. Any amounts withheld pursuant to the foregoing clauses (i) or (ii) shall be treated as having been distributed to such Limited Partner. Each Limited Partner hereby unconditionally and irrevocably grants to the Partnership a security interest in such Limited Partner's Partnership Interest to secure such Limited Partner's obligation to pay to the Partnership any amounts required to be paid pursuant to this Section 10.5. In the event that a Limited Partner fails to pay any amounts owed to the Partnership pursuant to this Section 10.5 when due, the General Partner may, in its sole and absolute discretion, elect to make the payment to the Partnership on behalf of such defaulting Limited Partner, and in such event shall be deemed to have loaned such amount to such defaulting Limited Partner and shall succeed to all rights and remedies of the Partnership as against such defaulting Limited Partner (including, without limitation, the right to receive distributions). Any amounts payable by a Limited Partner hereunder shall bear interest at the base rate on corporate loans at large United States money center commercial banks, as published from time to time in the *Wall Street Journal*, plus four (4) percentage points (but not higher than the maximum lawful rate) from the date such amount is due (i.e., fifteen (15) days after demand) until such amount is paid in full. Each Limited Partner shall take such actions as the Partnership or the General Partner shall request in order to perfect or enforce the security interest created hereunder.

ARTICLE XI.

TRANSFERS AND WITHDRAWALS

Section 11.01. Transfer

A. *Definition.* The term "transfer," when used in this Article XI with respect to a Partnership Interest or a Partnership Unit, shall be deemed to refer to a transaction by which the General Partner purports to assign all or any part of its General Partnership Interest to another Person or by which a Limited Partner purports to assign all or any part of its Limited Partnership Interest to another Person, and includes a sale, assignment, gift, pledge, encumbrance, hypothecation, mortgage, exchange or any other disposition by law or otherwise. The term "transfer" when used in this Article XI does not include any redemption or repurchase of Partnership Units by the Partnership from a Partner (including the General Partner) or acquisition of Partnership Units from a Limited Partner by the General Partner pursuant to Section 8.6 hereof or otherwise. No part of the interest of a Limited Partner shall be subject to the claims of any creditor, any spouse for alimony or support, or to legal process, and may not be voluntarily or involuntarily alienated or encumbered except as may be specifically provided for in this Agreement.

B. *General.* No Partnership Interest shall be transferred, in whole or in part, except in accordance with the terms and conditions set forth in this Article XI. Any transfer or purported transfer of a Partnership Interest not made in accordance with this Article XI shall be null and void.

Section 11.02. Transfers of Partnership Interests of General Partner

A. Except for transfers of Partnership Units to the Partnership as provided in Section 7.5 or Section 8.6 hereof, the General Partner may not transfer any of its Partnership Interest (including both its General Partnership Interest and its Limited Partnership Interest) except in connection with a transaction described in Section 11.2.B below or as otherwise expressly permitted under this Agreement, nor shall the General Partner withdraw as General Partner except in connection with a transaction described in Section 11.2.B below.

B. The General Partner shall not engage in any merger (including a triangular merger), consolidation or other combination with or into another person, sale of all or substantially all of its assets or any reclassification, recapitalization or change of outstanding Shares (other than a change in par value, or from par value to no par value, or as a result of a subdivision or combination as described in the definition of "Conversion Factor") ("Termination Transaction"), unless the Termination Transaction has been approved by the Consent of the Partners holding a majority or more of the then outstanding Percentage Interests (including the effect of any Partnership Units held by the General Partner) and in connection with which all Limited Partners either will receive, or will have the right to elect to receive, for each Partnership Unit an amount of cash, securities, or other property equal to the product of the Conversion Factor and the greatest amount of cash, securities or other property paid to a holder of Shares, if any, corresponding to such Partnership Unit that was issued pursuant to Section 4.2.A hereof in consideration of one such Share at any time during the period from and after the date on which the Termination Transaction is consummated; *provided that*, if, in connection with the Termination Transaction, a purchase, tender or exchange offer shall have been made to and accepted by the holders of more than fifty percent (50%) of the outstanding Shares, each holder of Partnership Units shall receive, or shall have the right to elect to receive, the greatest amount of cash, securities, or other property which such holder would have received had it exercised the Redemption Right and received Shares in exchange for its Partnership Units immediately prior to the expiration of such purchase, tender or exchange offer and had thereupon accepted such purchase, tender or exchange offer.

Section 11.03. Limited Partners' Rights to Transfer

A. *General.* Subject to the provisions of Sections 11.3.C, 11.3.D, 11.3.E, 11.4 and 11.6 below, prior to the second anniversary of the Effective Date, a Limited Partner may not transfer any of such Limited Partner's rights as a Limited Partner without the consent of the General Partner, which consent the General Partner may withhold in its sole discretion if it determines that such a transfer would cause any or all of the Limited Partners other than the Limited Partner seeking to transfer its rights as a Limited Partner to be subject to tax liability as a result of such transfer. Any purported transfer attempted in violation of the foregoing sentence shall be deemed void *ab initio* and shall have no force or effect. Subject to the provisions of Sections 11.3.C, 11.3.D, 11.3.E, 11.4 and 11.6 below, on or after the second anniversary of the Effective Date, a Limited Partner (other than the General Partner) may transfer, with or without the consent of the General Partner, all or any portion of its Partnership Interest, or any of such Limited Partner's rights as a Limited Partner, provided that prior written notice of such proposed transfer is delivered to the General Partner.

B. *Incapacitated Limited Partners.* If a Limited Partner is subject to Incapacity, the executor, administrator, trustee, committee, guardian, conservator or receiver of such Limited Partner's estate shall have all the rights of a Limited Partner, but not more rights than those enjoyed by other Limited Partners for the purpose of settling or managing the estate and such power as the Incapacitated Limited Partner possessed to transfer all or any part of its interest in the Partnership. The Incapacity of a Limited Partner, in and of itself, shall not dissolve or terminate the Partnership.

C. *No Transfers Violating Securities Laws.* The General Partner may prohibit any transfer of Partnership Units by a Limited Partner if, in the opinion of legal counsel to the Partnership, such transfer would require filing of a registration statement under the Securities Act or would otherwise violate any federal, or state securities laws or regulations applicable to the Partnership or the Partnership Unit.

D. *No Transfers Affecting Tax Status of Partnership.* No transfer of Partnership Units by a Limited Partner (including a redemption or exchange pursuant to Section 8.6 hereof) may be made to any Person if (i) in the opinion of legal counsel for the Partnership, it would result in the Partnership being treated as an association taxable as a corporation for federal income tax purposes or would result in a termination of the Partnership for federal income tax purposes (except as a result of the redemption or exchange for Shares of all Partnership Units held by all Limited Partners other than the General Partner or the General Partner Entity or any Subsidiary of either the General Partner or the General Partner Entity or pursuant to a transaction expressly permitted under Section 7.11.B or Section 11.2 hereof), (ii) in the opinion of legal counsel for the Partnership, it would adversely affect the ability of the General Partner Entity to continue to qualify as a REIT or would subject the General Partner Entity to any additional taxes under Section 857 or Section 4981 of the Code or (iii) such transfer is effectuated through an "established securities market" or a "secondary market (or the substantial equivalent thereof)" within the meaning of Section 7704 of the Code.

E. *No Transfers to Holders of Nonrecourse Liabilities.* No pledge or transfer of any Partnership Units may be made to a lender to the Partnership, or to any Person who is related (within the meaning of Section 1.752-4(b) of the Regulations) to any lender to the Partnership, whose loan constitutes a Nonrecourse Liability without the consent of the General Partner, in its sole and absolute discretion; provided that, as a condition to such consent the lender will be required to enter into an arrangement with the Partnership and the General Partner to exchange or redeem for the Redemption Amount any Partnership Units transferred or in which a security interest is held simultaneously with the time at which such lender would be deemed to be a partner in the Partnership for purposes of allocating liabilities to such lender under Section 752 of the Code.

made to effect all transfers, pledges or releases as required by Sections 8-207, 8-313(1) and 8-321 of the Uniform Commercial Code, as amended, in effect in the States of New York and Delaware; *provided, however,* that if there is any conflict between such requirements, the provisions of the Delaware Uniform Commercial Code shall govern. The General Partner shall (i) place proper entries in such register clearly showing each transfer and each pledge and grant of security interest and the transfer and assignment pursuant thereto, such entries to be endorsed by the General Partner and (ii) maintain the register and make the register available for inspection by all of the Partners and their pledgees at all times during the term of this Agreement. Nothing herein shall be deemed a consent to any pledge or transfer otherwise prohibited under this Agreement.

Section 11.04. Substituted Limited Partners

A. *Consent of General Partner.* No Limited Partner shall have the right to substitute a transferee as a Limited Partner in its place without the consent of the General Partner to the admission of a transferee of the interest of a Limited Partner pursuant to this Section 11.4 as a Substituted Limited Partner, which consent may be given or withheld by the General Partner in its sole and absolute discretion. The General Partner's failure or refusal to permit a transferee of any such interests to become a Substituted Limited Partner shall not give rise to any cause of action against the Partnership or any Partner.

B. *Rights of Substituted Limited Partner.* A transferee who has been admitted as a Substituted Limited Partner in accordance with this Article XI shall have all the rights and powers and be subject to all the restrictions and liabilities of a Limited Partner under this Agreement. The admission of any transferee as a Substituted Limited Partner shall be conditioned upon the transferee executing and delivering to the Partnership an acceptance of all the terms and conditions of this Agreement (including, without limitation, the provisions of Section 15.11 hereof and such other documents or instruments as may be required to effect the admission).

C. *Amendment and Restatement of Exhibit A.* Upon the admission of a Substituted Limited Partner, the General Partner shall amend and restate Exhibit A hereto to reflect the name, address, Capital Account, number of Partnership Units, and Percentage Interest of such Substituted Limited Partner and to eliminate or adjust, if necessary, the name, address, Capital Account and Percentage Interest of the predecessor of such Substituted Limited Partner.

Section 11.05. Assignees

If the General Partner, in its sole and absolute discretion, does not consent to the admission of any permitted transferee under Section 11.3 above as a Substituted Limited Partner, as described in Section 11.4 above, such transferee shall be considered an Assignee for purposes of this Agreement. An Assignee shall be entitled to all the rights of an assignee of a limited partnership interest under the Act, including the right to receive distributions from the Partnership and the share of Net Income, Net Losses, gain, loss and Recapture Income attributable to the Partnership Units assigned to such transferee, and shall have the rights granted to the Limited Partners under Section 8.6 hereof but shall not be deemed to be a holder of Partnership Units for any other purpose under this Agreement, and shall not be entitled to vote such Partnership Units in any matter presented to the Limited Partners for a vote (such Partnership Units being deemed to have been voted on such matter in the same proportion as all other Partnership Units held by Limited Partners are voted). In the event any such transferee desires to make a further assignment of any such Partnership Units, such transferee shall be subject to all the provisions of this Article XI to the same extent and in the same manner as any Limited Partner desiring to make an assignment of Partnership Units.

Section 11.06. General Provisions

A. *Withdrawal of Limited Partner.* No Limited Partner may withdraw from the Partnership other than as a result of a permitted transfer of all of such Limited Partner's Partnership Units in accordance with this Article XI or pursuant to redemption of all of its Partnership Units under Section 8.6 hereof.

B. *Termination of Status as Limited Partner.* Any Limited Partner who shall transfer all of its Partnership Units in a transfer permitted pursuant to this Article XI or pursuant to redemption of all of its Partnership Units under Section 8.6 hereof shall cease to be a Limited Partner.

C. *Timing of Transfers.* Transfers pursuant to this Article XI may only be made on the first day of a fiscal quarter of the Partnership, unless the General Partner otherwise agrees.

D. *Allocations.* If any Partnership Interest is transferred during any quarterly segment of the Partnership's fiscal year in compliance with the provisions of this Article XI or redeemed or transferred pursuant to Section 8.6 hereof, Net Income, Net Losses, each item thereof and all other items attributable to such interest for such fiscal year shall be divided and allocated between the transferor Partner and the transferee Partner by taking into account their varying interests during the fiscal year in accordance with Section 706(d) of the Code, using the interim closing of the books method (unless the General Partner, in its sole and absolute discretion, elects to adopt a daily, weekly, or a monthly proration period, in which event Net Income, Net Losses, each item thereof and all other items attributable to such interest for such fiscal year shall be prorated based upon the applicable method selected by the General Partner). Solely for purposes of making such allocations, each of such items for the calendar month in which the transfer or redemption occurs shall be allocated to the Person who is a Partner as of midnight on the last day of said month. All distributions of Available Cash attributable to any Partnership Unit with respect to which the Partnership Record Date is before the date of such transfer, assignment or redemption shall be made to the transferor Partner or the Redeeming Partner, as the case may be, and, in the case of a transfer or assignment other than a redemption, all distributions of Available Cash thereafter attributable to such Partnership Unit shall be made to the transferee Partner.

E. *Additional Restrictions.* In addition to any other restrictions on transfer herein contained, including without limitation the provisions of this Article XI, in no event may any transfer or assignment of a Partnership Interest by any Partner (including pursuant to Section 8.6 hereof) be made without the express consent of the General Partner, in its sole and absolute discretion, (i) to any person or entity who lacks the legal right, power or capacity to own a Partnership Interest; (ii) in violation of applicable law; (iii) of any component portion of a Partnership Interest, such as the Capital Account, or rights to distributions, separate and apart from all other components of a Partnership Interest; (iv) if in the opinion of legal counsel to the Partnership such transfer would cause a termination of the Partnership for federal or state income tax purposes (except as a result of the redemption or exchange for Shares of all Partnership Units held by all Limited Partners or pursuant to a transaction expressly permitted under Section 7.11.B or Section 11.2 hereof); (v) if in the opinion of counsel to the Partnership, such transfer would cause the Partnership to cease to be classified as a partnership for federal income tax purposes (except as a result of the redemption or exchange for Shares of all Partnership Units held by all Limited Partners or pursuant to a transaction expressly permitted under Section 7.11.B or Section 11.2 hereof); (vi) if such transfer would cause the Partnership to become, with respect to any employee benefit plan subject to Title I of ERISA, a "party-in-interest" (as defined in Section 3(14) of ERISA) or a "disqualified person" (as defined in Section 4975(c) of the Code); (vii) if such transfer would, in the opinion of counsel to the Partnership, cause any portion of the assets of the Partnership to constitute assets of any employee benefit plan pursuant to Department of Labor Regulations Section 2510.1101; (viii) if such transfer requires the registration of such Partnership Interest pursuant to any applicable federal or state securities laws; (ix) if such transfer is effectuated through an "established securities market" or a "secondary market" (or the substantial equivalent thereof) within the meaning of Section 7704 of the Code or such transfer causes the Partnership to become a "publicly traded partnership," as such term is defined in Section 469(k)(2) or Section 7704(b)

of the Code; (x) if such transfer subjects the Partnership to regulation under the Investment Company Act of 1940, the Investment Advisors Act of 1940 or the Employee Retirement Income Security Act of 1974, each as amended; (xi) if the transferee or assignee of such Partnership Interest is unable to make the representations set forth in Section 15.15 hereof or such transfer could otherwise adversely affect the ability of the General Partner Entity to remain qualified as a REIT; or (xii) if in the opinion of legal counsel for the Partnership, such transfer would adversely affect the ability of the General Partner Entity to continue to qualify as a REIT or subject the General Partner Entity to any additional taxes under Section 857 or Section 4981 of the Code.

F. *Avoidance of "Publicly Traded Partnership" Status.* The General Partner shall monitor the transfers of interests in the Partnership to determine (i) if such interests are being traded on an "established securities market" or a "secondary market (or the substantial equivalent thereof)" within the meaning of Section 7704 of the Code and (ii) whether additional transfers of interests would result in the Partnership being unable to qualify for at least one of the "safe harbors" set forth in Regulations Section 1.7704-1 (or such other guidance subsequently published by the IRS

setting forth safe harbors under which interests will not be treated as "readily tradable on a secondary market (or the substantial equivalent thereof)" within the meaning of Section 7704 of the Code (the "Safe Harbors"). The General Partner shall take all steps reasonably necessary or appropriate to prevent any trading of interests or any recognition by the Partnership of transfers made on such markets and, except as otherwise provided herein, to insure that at least one of the Safe Harbors is met.

ARTICLE XII.

ADMISSION OF PARTNERS

Section 12.01. Admission of Successor General Partner

A successor to all of the General Partner's General Partnership Interest pursuant to Section 11.2 hereof who is proposed to be admitted as a successor General Partner shall be admitted to the Partnership as the General Partner, effective upon such transfer. Any such transferee shall carry on the business of the Partnership without dissolution. In each case, the admission shall be subject to the successor General Partner's executing and delivering to the Partnership an acceptance of all of the terms and conditions of this Agreement and such other documents or instruments as may be required to effect the admission.

Section 12.02. Admission of Additional Limited Partners

A. *General.* No Person shall be admitted as an Additional Limited Partner without the consent of the General Partner, which consent shall be given or withheld in the General Partner's sole and absolute discretion. A Person who makes a Capital Contribution to the Partnership in accordance with this Agreement, including, without limitation, pursuant to Section 4.1.C hereof, or who exercises an option to receive Partnership Units shall be admitted to the Partnership as an Additional Limited Partner only with the consent of the General Partner and only upon furnishing to the General Partner (i) evidence of acceptance in form satisfactory to the General Partner of all of the terms and conditions of this Agreement, including, without limitation, the power of attorney granted in Section 15.11 hereof and (ii) such other documents or instruments as may be required in the discretion of the General Partner in order to effect such Person's admission as an Additional Limited Partner. The admission of any Person as an Additional Limited Partner shall become effective on the date upon which the name of such Person is recorded on the books and records of the Partnership, following the consent of the General Partner to such admission.

B. *Allocations to Additional Limited Partners.* If any Additional Limited Partner is admitted to the Partnership on any day other than the first day of a Partnership Year, then Net Income, Net Losses, each item thereof and all other items allocable among Partners and Assignees for such

49

Partnership Year shall be allocated among such Additional Limited Partner and all other Partners and Assignees by taking into account their varying interests during the Partnership Year in accordance with Section 706(d) of the Code, using the interim closing of the books method (unless the General Partner, in its sole and absolute discretion, elects to adopt a daily, weekly or monthly proration method, in which event Net Income, Net Losses, and each item thereof would be prorated based upon the applicable period selected by the General Partner). Solely for purposes of making such allocations, each of such items for the calendar month in which an admission of any Additional Limited Partner occurs shall be allocated among all the Partners and Assignees including such Additional Limited Partner. All distributions of Available Cash with respect to which the Partnership Record Date is before the date of such admission shall be made solely to Partners and Assignees other than the Additional Limited Partner, and all distributions of Available Cash thereafter shall be made to all the Partners and Assignees including such Additional Limited Partner.

Section 12.03. Amendment of Agreement and Certificate of Limited Partnership

For the admission to the Partnership of any Partner, the General Partner shall take all steps necessary and appropriate under the Act to amend the records of the Partnership (including an amendment and restatement of Exhibit A hereto) and, if necessary, to prepare as soon as practical an amendment of this Agreement and, if required by law, shall prepare and file an amendment to the Certificate and may for this purpose exercise the power of attorney granted pursuant to Section 15.11 hereof.

ARTICLE XIII.

DISSOLUTION AND LIQUIDATION

Section 13.01. Dissolution

The Partnership shall not be dissolved by the admission of Substituted Limited Partners or Additional Limited Partners or by the admission of a successor General Partner in accordance with the terms of this Agreement. Upon the withdrawal of the General Partner, any successor General Partner shall continue the business of the Partnership. The Partnership shall dissolve, and its affairs shall be wound up, upon the first to occur of any of the following ("Liquidating Events"):

(i) the expiration of its term as provided in Section 2.4 hereof;

(ii) an event of withdrawal of the General Partner, as defined in the Act (other than an event of bankruptcy), unless, within ninety (90) days after the withdrawal a "majority in interest" (as defined below) of the remaining Partners Consent in writing to continue the business of the Partnership and to the appointment, effective as of the date of withdrawal, of a substitute General Partner;

(iii) an election to dissolve the Partnership made by the General Partner, in its sole and absolute discretion, on or after January 1, 2047;

(iv) entry of a decree of judicial dissolution of the Partnership pursuant to the provisions of the Act;

(v) the sale of all or substantially all of the assets and properties of the Partnership for cash or for marketable securities (subject to Section 7.11.C); or

(vi) a final and nonappealable judgment is entered by a court of competent jurisdiction ruling that the General Partner is bankrupt or insolvent, or a final and nonappealable order for relief is entered by a court with appropriate jurisdiction against the General Partner, in each case under any federal or state bankruptcy or insolvency laws as now or hereafter in effect, unless prior to or within ninety days after the entry of such order or judgment a "majority in interest" (as defined below) of the remaining Partners Consent in writing to continue the business of the Partnership and to the

50

appointment, effective as of a date prior to the date of such order or judgment, of a substitute General Partner.

As used herein, a "majority in interest" shall refer to Partners (excluding the General Partner) who hold more than fifty percent (50%) of the outstanding Percentage Interests not held by the General Partner.

Section 13.02. Winding Up

A. *General.* Upon the occurrence of a Liquidating Event, the Partnership shall continue solely for the purposes of winding up its affairs in an orderly manner, liquidating its assets, and satisfying the claims of its creditors and Partners. No Partner shall take any action that is inconsistent with, or not necessary to or appropriate for, the winding up of the Partnership's business and affairs. The General Partner (or, in the event there is no remaining General Partner, any Person elected by a majority in interest of the Limited Partners (the "Liquidator")) shall be responsible for overseeing the winding up and dissolution of the Partnership and shall take full account of the Partnership's liabilities and property and the Partnership property shall be liquidated as promptly as is consistent with obtaining the fair value thereof, and the proceeds therefrom (which may, to the extent determined by the General Partner, include equity or other securities of the General Partner or any other entity) shall be applied and distributed in the following order:

- (1) First, to the payment and discharge of all of the Partnership's debts and liabilities to creditors other than the Partners;
- (2) Second, to the payment and discharge of all of the Partnership's debts and liabilities to the Partners; and
- (3) The balance, if any, to the Partners in accordance with their Capital Accounts, after giving effect to all contributions, distributions, and allocations for all periods.

The General Partner shall not receive any additional compensation for any services performed pursuant to this Article XIII.

B. *Deferred Liquidation.* Notwithstanding the provisions of Section 13.2.A above which require liquidation of the assets of the Partnership, but subject to the order of priorities set forth therein, if prior to or upon dissolution of the Partnership the Liquidator determines that an immediate sale of part or all of the Partnership's assets would be impractical or would cause undue loss to the Partners, the Liquidator may, in its sole and absolute discretion, defer for a reasonable time the liquidation of any assets except those necessary to satisfy liabilities of the Partnership (including to those Partners as creditors) or distribute to the Partners, in lieu of cash, as tenants in common and in accordance with the provisions of Section 13.2.A above, undivided interests in such Partnership assets as the Liquidator deems not suitable for liquidation. Any such distributions in kind shall be made only if, in the good faith judgment of the Liquidator, such distributions in kind are in the best interest of the Partners, and shall be subject to such conditions relating to the disposition and management of such properties as the Liquidator deems reasonable and equitable and to any agreements governing the operation of such properties at such time. The Liquidator shall determine the fair market value of any property distributed in kind using such reasonable method of valuation as it may adopt.

Section 13.03. Compliance with Timing Requirements of Regulations

Subject to Section 13.4 below, in the event the Partnership is "liquidated" within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g), distributions shall be made pursuant to this Article XIII to the General Partner and Limited Partners who have positive Capital Accounts in compliance with Regulations Section 1.704-1(b)(2)(ii)(b)(2). If any Partner has a deficit balance in its Capital Account (after giving effect to all contributions, distributions and allocations for all taxable years, including the year during which such liquidation occurs), such Partner shall have no obligation to make any

51

contribution to the capital of the Partnership with respect to such deficit, and such deficit shall not be considered a debt owed to the Partnership or to any other Person for any purpose whatsoever. In the discretion of the General Partner, a pro rata portion of the distributions that would otherwise be made to the General Partner and Limited Partners pursuant to this Article XIII may be: (A) distributed to a trust established for the benefit of the General Partner and Limited Partners for the purposes of liquidating Partnership assets, collecting amounts owed to the Partnership and paying any contingent or unforeseen liabilities or obligations of the Partnership or of the General Partner arising out of or in connection with the Partnership (in which case the assets of any such trust shall be distributed to the General Partner and Limited Partners from time to time, in the reasonable discretion of the General Partner, in the same proportions as the amount distributed to such trust by the Partnership would otherwise have been distributed to the General Partner and Limited Partners pursuant to this Agreement); or (B) withheld to provide a reasonable reserve for Partnership liabilities (contingent or otherwise) and to reflect the unrealized portion of any installment obligations owed to the Partnership, provided that such withheld amounts shall be distributed to the General Partner and Limited Partners as soon as practicable.

Section 13.04. Deemed Distribution and Recontribution

Notwithstanding any other provision of this Article XIII, in the event the Partnership is deemed liquidated within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g) but no Liquidating Event has occurred, the Partnership's property shall not be liquidated, the Partnership's liabilities shall not be paid or discharged and the Partnership's affairs shall not be wound up. Instead, for federal income tax purposes and for purposes of maintaining Capital Accounts pursuant to Exhibit B hereto, the Partnership shall be deemed to have distributed its assets in kind to the General Partner and Limited Partners, who shall be deemed to have assumed and taken such assets subject to all Partnership liabilities, all in accordance with their respective Capital Accounts. Immediately thereafter, the General Partner and Limited Partners shall be deemed to have recontributed the Partnership assets in kind to the Partnership, which shall be deemed to have assumed and taken such assets subject to all such liabilities.

Section 13.05. Rights of Limited Partners

Except as otherwise provided in this Agreement, each Limited Partner shall look solely to the assets of the Partnership for the return of its Capital Contributions and shall have no right or power to demand or receive property other than cash from the Partnership. Except as otherwise expressly provided in this Agreement, no Limited Partner shall have priority over any other Limited Partner as to the return of its Capital Contributions, distributions, or allocations.

Section 13.06. Notice of Dissolution

In the event a Liquidating Event occurs or an event occurs that would, but for provisions of an election or objection by one or more Partners pursuant to Section 13.1 above, result in a dissolution of the Partnership, the General Partner shall, within thirty (30) days thereafter, provide written notice thereof to each of the Partners and to all other parties with whom the Partnership regularly conducts business (as determined in the discretion of the General Partner) and shall publish notice thereof in a newspaper of general circulation in each place in which the Partnership regularly conducts business (as determined in the discretion of the General Partner).

Section 13.07. Cancellation of Certificate of Limited Partnership

Upon the completion of the liquidation of the Partnership cash and property as provided in Section 13.2 above, the Partnership shall be terminated and the Certificate and all qualifications of the Partnership as a foreign limited partnership in jurisdictions other than the State of Delaware shall be canceled and such other actions as may be necessary to terminate the Partnership shall be taken.

52

Section 13.08. Reasonable Time for Winding Up

A reasonable time shall be allowed for the orderly winding up of the business and affairs of the Partnership and the liquidation of its assets pursuant to Section 13.2 above, in order to minimize any losses otherwise attendant upon such winding-up, and the provisions of this Agreement shall remain in effect among the Partners during the period of liquidation.

Section 13.09. Waiver of Partition

Each Partner hereby waives any right to partition of the Partnership property.

Section 13.10. Liability of Liquidator

The Liquidator shall be indemnified and held harmless by the Partnership in the same manner and to the same degree as an Indemnitee may be indemnified pursuant to Section 7.11 hereof.

53

ARTICLE XIV.

AMENDMENT OF PARTNERSHIP AGREEMENT; MEETINGS

Section 14.01. Amendments.

A. *General.* Amendments to this Agreement may be proposed by the General Partner or by any Limited Partners holding twenty-five percent (25%) or more of the Partnership Interests. Following such proposal (except an amendment pursuant to Section 14.1.B below), the General Partner shall submit any proposed amendment to the Limited Partners. The General Partner shall seek the written vote of the Partners on the proposed amendment or shall call a meeting to vote thereon and to transact any other business that it may deem appropriate. For purposes of obtaining a written vote, the General Partner may require a response within a reasonable specified time, but not less than fifteen (15) days, and failure to respond in such time period shall constitute a vote which is consistent with the General Partner's recommendation with respect to the proposal. Except as provided in Section 14.1.B, 14.1.C or 14.1.D below, a proposed amendment shall be adopted and be effective as an amendment hereto if it is approved by the General Partner and it receives the Consent of Partners holding a majority of the Percentage Interests of the Limited Partners (including Limited Partnership Interests held by the General Partner).

B. *Amendments Not Requiring Limited Partner Approval.* Notwithstanding Section 14.1.A or Section 14.1.C hereof, the General Partner shall have the power, without the Consent of the Limited Partners, to amend this Agreement as may be required to facilitate or implement any of the following purposes:

- (1) to add to the obligations of the General Partner or surrender any right or power granted to the General Partner or any Affiliate of the General Partner for the benefit of the Limited Partners;
- (2) to reflect the admission, substitution, termination or withdrawal of any Partner in accordance with this Agreement;
- (3) to set forth the designations, rights, powers, duties, and preferences of the holders of any additional Partnership Interests issued pursuant to Article IV hereof;
- (4) to reflect a change that does not adversely affect any of the Limited Partners in any material respect, or to cure any ambiguity, correct or supplement any provision in this Agreement not inconsistent with law or with other provisions, or make other changes with respect to matters arising under this Agreement that will not be inconsistent with law or with the provisions of this Agreement or as may be expressly provided by any other provisions of this Agreement; and
- (5) to satisfy any requirements, conditions, or guidelines contained in any order, directive, opinion, ruling or regulation of a federal, state or local agency or contained in federal, state or local law.

The General Partner shall notify the Limited Partners when any action under this Section 14.1.B is taken in the next regular communication to the Limited Partners.

C. *Amendments Requiring Limited Partner Approval (Excluding General Partner).* Notwithstanding Section 14.1.A above, without the Consent of the Outside Limited Partners, the General Partner shall not amend Section 4.2.A, Section 5.1.E, Section 7.1.A (second sentence only), Section 7.5, Section 7.6, Section 7.8, Section 7.11.B, Section 11.2, Section 13.1, this Section 14.1.C or Section 14.2.

D. *Other Amendments Requiring Certain Limited Partner Approval.* Notwithstanding anything in this Section 14.1 to the contrary, this Agreement shall not be amended with respect to any Partner adversely affected without the Consent of such Partner adversely affected if such amendment would

54

(i) convert a Limited Partner's interest in the Partnership into a general partner's interest, (ii) modify the limited liability of a Limited Partner, (iii) amend Section 7.11.A, (iv) amend Article V, Article VI, or Section 13.2.A(3) (except as permitted pursuant to Sections 4.2, 5.1.E, 5.4, 6.2 and 14.1(B)(3)), (v) amend Section 8.6 or any defined terms set forth in Article I that relate to the Redemption Right (except as permitted in Section 8.6.E), or (vi) amend this Section 14.1.D. Moreover, this Agreement may be amended by the General Partner to provide that certain Limited Partners have the obligation, upon liquidation of their interests in the Partnership (within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g)), to restore to the Partnership the amounts of their negative Capital Account balances, if any, for the benefit of creditors of the Partnership or Partners with positive Capital Account balances or both, together with any necessary corresponding amendments (including corresponding amendments to Sections 6.1.A, 6.1.B and Exhibit C), with the consent of only such Limited Partners and of any other Limited Partners already subject to such a restoration obligation whose restoration obligation may be affected by such amendment.

In addition, any amendment to Section 7.11.C of this Agreement shall require the following consent:

(i) In the event that the amendment to Section 7.11.C affects the 673 First Avenue Property or the rights of holders of 673 First Avenue Units, such amendment shall require the Consent of Partners (other than the General Partner or the General Partner Entity or any Subsidiary of either the General Partner or the General Partner Entity) who hold seventy-five percent (75%) of the 673 First Avenue Units;

(ii) In the event that the amendment to Section 7.11.C affects the 470 Park Avenue South Property or the rights of holders of 470 Park Avenue South Units, such amendment shall require the Consent of Partners (other than the General Partner or the General Partner Entity or any Subsidiary of either the General Partner or the General Partner Entity) who hold seventy-five percent (75%) of the 470 Park Avenue South Units.

E. *Amendment and Restatement of Exhibit A Not An Amendment.* Notwithstanding anything in this Article XIV or elsewhere in this Agreement to the contrary, any amendment and restatement of Exhibit A hereto by the General Partner to reflect events or changes otherwise authorized or permitted by this Agreement, whether pursuant to Section 7.1.A(20) hereof or otherwise, shall not be deemed an amendment of this Agreement and may be done at any time and from time to time, as necessary by the General Partner without the Consent of the Limited Partners.

Section 14.02. Meetings of the Partners

A. *General.* Meetings of the Partners may be called by the General Partner and shall be called upon the receipt by the General Partner of a written request by Limited Partners holding twenty-five percent (25%) or more of the Partnership Interests. The call shall state the nature of the business to be transacted. Notice of any such meeting shall be given to all Partners not less than seven (7) days nor more than thirty (30) days prior to the date of such meeting. Partners may vote in person or by proxy at such meeting. Whenever the vote or Consent of Partners is permitted or required under this Agreement, such vote or Consent may be given at a meeting of Partners or may be given in accordance with the procedure prescribed in Section 14.1.A above. Except as otherwise expressly provided in this Agreement, the Consent of holders of a majority of the Percentage Interests held by Limited Partners (including Limited Partnership Interests held by the General Partner) shall control.

B. *Actions Without a Meeting.* Any action required or permitted to be taken at a meeting of the Partners may be taken without a meeting if a written consent setting forth the action so taken is signed by a majority of the Percentage Interests of the Partners (or such other percentage as is expressly required by this Agreement). Such consent may be in one instrument or in several instruments, and shall have the same force and effect as a vote of a majority of the Percentage Interests of the Partners

55

(or such other percentage as is expressly required by this Agreement). Such consent shall be filed with the General Partner. An action so taken shall be deemed to have been taken at a meeting held on the effective date so certified.

C. *Proxy.* Each Limited Partner may authorize any Person or Persons to act for him by proxy on all matters in which a Limited Partner is entitled to participate, including waiving notice of any meeting, or voting or participating at a meeting. Every proxy must be signed by the Limited Partner or its attorney-in-fact. No proxy shall be valid after the expiration of eleven (11) months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the Limited Partner executing it. Such revocation to be effective upon the Partnership's receipt of notice thereof in writing.

D. *Conduct of Meeting.* Each meeting of Partners shall be conducted by the General Partner or such other Person as the General Partner may appoint pursuant to such rules for the conduct of the meeting as the General Partner or such other Person deems appropriate.

GENERAL PROVISIONS

Section 15.01. Addresses and Notice

Any notice, demand, request or report required or permitted to be given or made to a Partner or Assignee under this Agreement shall be in writing and shall be deemed given or made when delivered in person or when sent by first class United States mail or by other means of written communication to the Partner or Assignee at the address set forth in Exhibit A hereto or such other address as the Partners shall notify the General Partner in writing.

Section 15.02. Titles and Captions

All article or section titles or captions in this Agreement are for convenience only. They shall not be deemed part of this Agreement and in no way define, limit, extend or describe the scope or intent of any provisions hereof. Except as specifically provided otherwise, references to "Articles" and "Sections" are to Articles and Sections of this Agreement.

Section 15.03. Pronouns and Plurals

Whenever the context may require, any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa.

Section 15.04. Further Action

The parties shall execute and deliver all documents, provide all information and take or refrain from taking action as may be necessary or appropriate to achieve the purposes of this Agreement.

Section 15.05. Binding Effect

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their heirs, executors, administrators, successors, legal representatives and permitted assigns.

Section 15.06. Creditors

Other than as expressly set forth herein with regard to any Indemnitee, none of the provisions of this Agreement shall be for the benefit of, or shall be enforceable by, any creditor of the Partnership.

56

Section 15.07. Waiver

No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute waiver of any such breach or any other covenant, duty, agreement or condition.

Section 15.08. Counterparts

This Agreement may be executed in counterparts, all of which together shall constitute one agreement binding on all the parties hereto, notwithstanding that all such parties are not signatories to the original or the same counterpart. Each party shall become bound by this Agreement immediately upon affixing its signature hereto.

Section 15.09. Applicable Law

This Agreement shall be construed and enforced in accordance with and governed by the laws of the State of Delaware, without regard to the principles of conflicts of law.

Section 15.10. Invalidity of Provisions

If any provision of this Agreement is or becomes invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby.

Section 15.11. Power of Attorney

A. *General.* Each Limited Partner and each Assignee who accepts Partnership Units (or any rights, benefits or privileges associated therewith) is deemed to irrevocably constitute and appoint the General Partner, any Liquidator and authorized officers and attorneys-in-fact of each, and each of those acting singly, in each case with full power of substitution, as its true and lawful agent and attorney-in-fact, with full power and authority in its name, place and stead to:

(1) execute, swear to, acknowledge, deliver, file and record in the appropriate public offices (a) all certificates, documents and other instruments (including, without limitation, this Agreement and the Certificate and all amendments or restatements thereof) that the General Partner or any Liquidator deems appropriate or necessary to form, qualify or continue the existence or qualification of the Partnership as a limited partnership (or a partnership in which the limited partners have limited liability) in the State of Delaware and in all other jurisdictions in which the Partnership may conduct business or own property, (b) all instruments that the General Partner or any Liquidator deems appropriate or necessary to reflect any amendment, change, modification or restatement of this Agreement in accordance with its terms, (c) all conveyances and other instruments or documents that the General Partner or any Liquidator deems appropriate or necessary to reflect the dissolution and liquidation of the Partnership pursuant to the terms of this Agreement, including, without limitation, a certificate of cancellation, (d) all instruments relating to the admission, withdrawal, removal or substitution of any Partner pursuant to, or other events described in, Article XI, XII or XIII hereof or the Capital Contribution of any Partner and (e) all certificates, documents and other instruments relating to the determination of the rights, preferences and privileges of Partnership Interests; and

(2) execute, swear to, acknowledge and file all ballots, consents, approvals, waivers, certificates and other instruments appropriate or necessary, in the sole and absolute discretion of the General Partner or any Liquidator, to make, evidence, give, confirm or ratify any vote, consent, approval, agreement or other action which is made or given by the Partners hereunder or is consistent with the terms of this Agreement or appropriate or necessary, in the sole discretion of the General Partner or any Liquidator, to effectuate the terms or intent of this Agreement.

57

Nothing contained in this Section 15.11 shall be construed as authorizing the General Partner or any Liquidator to amend this Agreement except in accordance with Article XIV hereof or as may be otherwise expressly provided for in this Agreement.

B. *Irrevocable Nature.* The foregoing power of attorney is hereby declared to be irrevocable and a power coupled with an interest, in recognition of the fact that each of the Partners will be relying upon the power of the General Partner or any Liquidator to act as contemplated by this Agreement in any filing or other action by it on behalf of the Partnership, and it shall survive and not be affected by the subsequent incapacity of any Limited Partner or Assignee and the transfer of all or any portion of such Limited Partner's or Assignee's Partnership Units and shall extend to such Limited Partner's or Assignee's heirs, successors, assigns and personal representatives. Each such Limited Partner or Assignee hereby agrees to be bound by any representation made by the General Partner or any Liquidator, acting in good faith pursuant to such power of attorney; and each such Limited Partner or Assignee hereby waives any and all defenses which may be available to contest, negate or disaffirm the action of the General Partner or any Liquidator, taken in good faith under such power of attorney. Each Limited Partner or Assignee shall execute and deliver to

the General Partner or the Liquidator, within fifteen (15) days after receipt of the General Partner's or Liquidator's request therefor, such further designation, powers of attorney and other instruments as the General Partner or the Liquidator, as the case may be, deems necessary to effectuate this Agreement and the purposes of the Partnership.

Section 15.12. Entire Agreement

This Agreement contains the entire understanding and agreement among the Partners with respect to the subject matter hereof and supersedes any prior written oral understandings or agreements among them with respect thereto.

Section 15.13. No Rights as Stockholders

Nothing contained in this Agreement shall be construed as conferring upon the holders of the Partnership Units any rights whatsoever as stockholders of the General Partner Entity, including, without limitation, any right to receive dividends or other distributions made to stockholders of the General Partner Entity or to vote or to consent or receive notice as stockholders in respect to any meeting of stockholders for the election of directors of the General Partner Entity or any other matter.

Section 15.14. Limitation to Preserve REIT Status

To the extent that any amount paid or credited to the General Partner or its officers, directors, employees or agents pursuant to Section 7.4 or Section 7.7 hereof would constitute gross income to the General Partner Entity for purposes of Section 856(c)(2) or 856(c)(3) of the Code (a "General Partner Payment") then, notwithstanding any other provision of this Agreement, the amount of such General Partner Payments for any fiscal year shall not exceed the lesser of:

(i) an amount equal to the excess, if any, of (a) 4.20% of the General Partner Entity's total gross income (but not including the amount of any General Partner Payments) for the fiscal year which is described in subsections (A) through (H) of Section 856(c)(2) of the Code over (b) the amount of gross income (within the meaning of Section 856(c)(2) of the Code) derived by the General Partner Entity from sources other than those described in subsections (A) through (H) of Section 856(c)(2) of the Code (but not including the amount of any General Partner Payments); or

(i) an amount equal to the excess, if any of (a) 25% of the General Partner Entity's total gross income (but not including the amount of any General Partner Payments) for the fiscal year which is described in subsections (A) through (I) of Section 856(c)(3) of the Code over (b) the amount of gross income (within the meaning of Section 856(c)(3) of the Code) derived by the General Partner Entity from sources other than those described in subsections (A) through (I) of Section 856(c)(3) of the Code (but not including the amount of any General Partner Payments);

provided, however, that General Partner Payments in excess of the amounts set forth in subparagraphs (i) and (ii) above may be made if the General Partner Entity, as a condition precedent, obtains an opinion of tax counsel that the receipt of such excess amounts would not adversely affect the General Partner Entity's ability to qualify as a REIT. To the extent General Partner Payments may not be made in a year due to the foregoing limitations, such General Partner Payments shall carry over and be treated as arising in the following year, *provided, however*, that such amounts shall not carry over for more than five years, and if not paid within such five year period, shall expire; *provided, further*, that (i) as General Partner Payments are made, such payments shall be applied first to carryover amounts outstanding, if any, and (ii) with respect to carryover amounts for more than one Partnership Year, such payments shall be applied to the earliest Partnership Year first.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

GENERAL PARTNER:
SL GREEN REALTY CORP.

By: _____
Name:
Title:

LIMITED PARTNERS:
SL GREEN REALTY CORP.

By: _____
Name: Stephen L. Green
Title:

HIPPOMENES ASSOCIATES, LLC

By: _____
Name: Stephen L. Green
Title: Member

470 PARK SOUTH ASSOCIATES, L.P.

By: _____
Benjamin P. Feldman
Attorney-in-Fact

Stanley Nelson
(By: Benjamin P. Feldman, Attorney-in-Fact)

Carol Nelson
(By: Benjamin P. Feldman, Attorney-in-Fact)

Sheldon Lowe
(By: Benjamin P. Feldman, Attorney-in-Fact)

MIAMI CORP.

By: _____
Benjamin P. Feldman
Attorney-in-Fact

SL GREEN PROPERTIES, INC.

By: _____
Stephen L. Green
President

EBG MIDTOWN SOUTH CORP.

By: _____
Stephen L. Green
President

64-36 REALTY ASSOCIATES

By: S.L. Green Properties, Inc., general partner

By: _____
Stephen L. Green
President

673 FIRST ASSOCIATES, L.P.

By: 673 First Realty Corp., general partner

By: _____
Stephen L. Green
President

61

29/35 REALTY ASSOCIATES, L.P.

By: S.L. Green Properties, Inc., a general partner

By: _____
Stephen L. Green
President

By: 29 W. 35th Realty Corp., a general partner

GREEN 6th AVENUE ASSOCIATES, L.P.

By: S.L. Green Leasing, Inc., general partner

By: _____
Stephen L. Green
President

S.L. GREEN LEASING, INC.

By: _____
Stephen L. Green
President

62

**EXHIBIT A
PARTNERS AND PARTNERSHIP INTERESTS**

Name and Address of Partner	Class A Partnership Units	Class B Partnership Units	Class A Preferred Partnership Units	Agreed Initial Capital Account	Percentage Interest
GENERAL PARTNER:					
SL Green Realty Corp. 70 West 36th Street New York, New York 10018	146,755		4,600,000	\$ 118,506,028	1.00%
LIMITED PARTNERS:					
SL Green Realty Corp. 70 West 36th Street New York, New York 10018	12,145,555			476,722,457	90.738%
Hippomenes Associates, LLC 70 West 36th Street New York, New York 10018	108,195			2,272,095	0.379%
Stephen L. Green 70 West 36th Street New York, New York 10018	572,012			12,012,252	2.003%
673 Realty Corp. 70 West 36th Street New York, New York 10018	3,810			80,010	0.013%
Stanley and Carol Nelson	4,762			100,002	0.017%
Sheldon Lowe	16,190			339,990	0.057%
Miami Corp.	476			9,996	0.002%
S.L. Green Properties, Inc. 70 West 36th Street New York, New York 10018	905,485			19,015,185	3.171%
EBG Midtown South Corp. 70 West 36th Street New York, New York 10018	476			9,996	0.002%
Green 6th Avenue Associates, L.P.	304,846			6,401,766	1.067%

70 West 36th Street New York, New York 10018			
Northwest Partners 70 West 36th Street New York, New York 10018	211,904	4,449,984	0.742%
PI.R Associates 70 West 36th Street New York, New York 10018	19,048	400,008	0.067%
Estate of Aaron Levy	2,619	54,999	0.009%
Neil Cohen	19,048	400,008	0.067%

63

Nancy A. Peck 70 West 36th Street New York, New York 10018	19,048	400,008	0.067%
Benjamin P. Feldman 70 West 36th Street New York, New York 10018	18,698	392,658	0.065%
Louis A. Olsen 70 West 36th Street New York, New York 10018	7,619	159,999	0.027%
Robert Ivanhoe 125 Lower Cross Road Greenwich, CT 06831	47,619	999,999	0.167%
Paul J. Konigsberg 66 Talcott Road Rye Brook, NY 10573	26,492	556,332	0.093%
Jeffrey Konigsberg 55 W. 14th Street New York, NY	1,000	21,000	0.004%
Stephen Konigsberg 55 W. 14th Street New York, NY	1,000	21,000	0.004%
Robert Konigsberg 88 Osborn Road Harrison, New York 10528	25,492	535,332	0.089%
Joshua Konigsberg 500 E. 85th Street New York, NY 10028	1,000	21,000	0.004%
Gregory Reimer c/o Robert Konigsberg 88 Osborn Road Harrison, NY 10528	1,000	21,000	0.004%
James Ryan Konigsberg c/o Robert Konigsberg 88 Osborn Road Harrison, NY 10528	1,000	21,000	0.004%
Nancy Mendelow 88 Central Park West New York, NY 10023	64,445	1,353,345	0.226%
TOTAL	14,675,594	4,600,000 \$ 645,277,449	100.00%

Dated as of May 18, 1998

64

**EXHIBIT B
CAPITAL ACCOUNT MAINTENANCE**

1. *Capital Accounts of the Partners*

A. The Partnership shall maintain for each Partner a separate Capital Account in accordance with the rules of Regulations Section 1.704-1(b)(2)(iv). Such Capital Account shall be increased by (i) the amount of all Capital Contributions and any other deemed contributions made by such Partner to the Partnership pursuant to this Agreement and (ii) all items of Partnership income and gain (including income and gain exempt from tax) computed in accordance with Section 1.B hereof and allocated to such Partner pursuant to Section 6.1 of the Agreement and Exhibit C hereof, and decreased by (x) the amount of cash or Agreed Value of all actual and deemed distributions of cash or property made to such Partner pursuant to this Agreement and (y) all items of Partnership deduction and loss computed in accordance with Section 1.B hereof and allocated to such Partner pursuant to Section 6.1 of the Agreement and Exhibit C hereof.

B. For purposes of computing the amount of any item of income, gain, deduction or loss to be reflected in the Partners' Capital Accounts, unless otherwise specified in this Agreement, the determination, recognition and classification of any such item shall be the same as its determination, recognition and classification for federal income tax purposes determined in accordance with Section 703(a) of the Code (for this purpose all items of income, gain, loss or deduction required to be stated separately pursuant to Section 703(a)(1) of the Code shall be included in taxable income or loss), with the following adjustments:

(1) Except as otherwise provided in Regulations Section 1.704-1(b)(2)(iv)(m), the computation of all items of income, gain, loss and deduction shall be made without regard to any election under Section 754 of the Code which may be made by the Partnership, provided that the amounts of any adjustments to the adjusted bases of the assets of the Partnership made pursuant to Section 734 of the Code as a result of the distribution of property by the Partnership to a Partner (to the extent that such adjustments have not previously been reflected in the Partners' Capital Accounts) shall be reflected in the Capital Accounts of the Partners in the manner and subject to the limitations prescribed in Regulations Section 1.704-1(b)(2)(iv)(m)(4).

(2) The computation of all items of income, gain, and deduction shall be made without regard to the fact that items described in Sections 705(a)(1)(B) or 705(a)(2)(B) of the Code are not includable in gross income or are neither currently deductible nor capitalized for federal income tax purposes.

(3) Any income, gain or loss attributable to the taxable disposition of any Partnership property shall be determined as if the adjusted basis of such property as of such date of disposition were equal in amount to the Partnership's Carrying Value with respect to such property as of such date.

(4) In lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such fiscal year.

(5) In the event the Carrying Value of any Partnership Asset is adjusted pursuant to Section 1.D hereof, the amount of any such adjustment shall be taken into account as gain or loss from the disposition of such asset.

(6) Any items specially allocated under Section 2 of Exhibit C hereof shall not be taken into account.

C. Generally, a transferee (including any Assignee) of a Partnership Unit shall succeed to a pro rata portion of the Capital Account of the transferor, including where the transfer causes a termination of the Partnership under Section 708(b)(1)(B) of the Code, in which case the Capital Account of the

transferee and the Capital Accounts of the other holders of Partnership Units in the terminated Partnership shall carry over to the new Partnership that is formed, for federal income tax purposes, as a result of the termination. In such event, the Carrying Values of the Partnership properties in the reconstituted Partnership shall remain the same as they were in the terminated Partnership and the Capital Accounts of such reconstituted Partnership shall be maintained in accordance with the principles of this Exhibit B.

D. (1) Consistent with the provisions of Regulations Section 1.704-1(b)(2)(iv)(f), and as provided in Section 1.D(2), the Carrying Values of all Partnership assets shall be adjusted upward or downward to reflect any Unrealized Gain or Unrealized Loss attributable to such Partnership property, as of the times of the adjustments provided in Section 1.D(2) hereof, as if such Unrealized Gain or Unrealized Loss had been recognized on an actual sale of each such property and allocated pursuant to Section 6.1 of the Agreement.

(2) Such adjustments shall be made as of the following times: (a) immediately prior to the acquisition of an additional interest in the Partnership by any new or existing Partner in exchange for more than a *de minimis* Capital Contribution; (b) immediately prior to the distribution by the Partnership to a Partner of more than a *de minimis* amount of property as consideration for an interest in the Partnership; and (c) immediately prior to the liquidation of the Partnership within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g) (except for a liquidation resulting from the termination of the Partnership under Section 708(b)(1)(B) of the Code), provided however that adjustments pursuant to clauses (a) and (b) above shall be made only if the General Partner determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Partners in the Partnership.

(3) In accordance with Regulations Section 1.704-1(b)(2)(iv)(e), the Carrying Value of Partnership assets distributed in kind (other than in connection with the termination of the Partnership under Section 708(b)(1)(B) of the Code) shall be adjusted upward or downward to reflect any Unrealized Gain or Unrealized Loss attributable to such Partnership property, as of the time any such asset is distributed.

(4) In determining Unrealized Gain or Unrealized Loss for purposes of this Exhibit B, the aggregate cash amount and fair market value of all Partnership assets (including cash or cash equivalents) shall be determined by the General Partner using such reasonable method of valuation as it may adopt, or in the case of a liquidating distribution pursuant to Article XIII of the Agreement, shall be determined and allocated by the Liquidator using such reasonable methods of valuation as it may adopt. The General Partner, or the Liquidator, as the case may be, shall allocate such aggregate fair market value among the assets of the Partnership in such manner as it determines in its sole and absolute discretion to arrive at a fair market value for individual properties.

E. The provisions of the Agreement (including this Exhibit B and the other Exhibits to the Agreement) relating to the maintenance of Capital Accounts are intended to comply with Regulations Section 1.704-1(b), and shall be interpreted and applied in a manner consistent with such Regulations. In the event the General Partner shall determine that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto (including, without limitation, debits or credits relating to liabilities which are secured by contributed or distributed property or which are assumed by the Partnership, the General Partner, or the Limited Partners) are computed in order to comply with such Regulations, the General Partner may make such modification without regard to Article XIV of the Agreement, provided that it is not likely to have a material effect on the amounts distributable to any Person pursuant to Article XIII of the Agreement upon the dissolution of the Partnership. The General Partner also shall (i) make any adjustments that are necessary or appropriate to maintain equality between the Capital Accounts of the Partners and the amount of Partnership capital reflected

on the Partnership's balance sheet, as computed for book purposes, in accordance with Regulations Section 1.704-1(b)(2)(iv)(q), and (ii) make any appropriate modifications in the event unanticipated events might otherwise cause this Agreement not to comply with Regulations Section 1.704-1(b).

2. *No Interest*

No interest shall be paid by the Partnership on Capital Contributions or on balances in Partners' Capital Accounts.

3. *No Withdrawal*

No Partner shall be entitled to withdraw any part of its Capital Contribution or Capital Account or to receive any distribution from the Partnership, except as provided in Articles IV, V, VII and XIII of the Agreement.

EXHIBIT C SPECIAL ALLOCATION RULES

1. *Special Allocation Rules.*

Notwithstanding any other provision of the Agreement or this *Exhibit C*, the following special allocations shall be made in the following order:

A. *Minimum Gain Chargeback.* Notwithstanding the provisions of Section 6.1 of the Agreement or any other provisions of this *Exhibit C*, if there is a net decrease in Partnership Minimum Gain during any Partnership Year, each Partner shall be specially allocated items of Partnership income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Partner's share of the net decrease in Partnership Minimum Gain, as determined under Regulations Section 1.704-2(g). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Partner pursuant thereto. The items to be so allocated shall be determined in accordance with Regulations Section 1.704-2(f)(6). This Section 1.A is intended to comply with the minimum gain chargeback requirements in Regulations Section 1.704-2(f) and, for purposes of this Section 1.A only, each Partner's Adjusted Capital Account Deficit shall be determined prior to any other allocations pursuant to Section 6.1 of this Agreement with respect to such Partnership Year and without regard to any decrease in Partner Minimum Gain during such Partnership Year.

B. *Partner Minimum Gain Chargeback.* Notwithstanding any other provision of Section 6.1 of this Agreement or any other provisions of this *Exhibit C* (except Section 1.A hereof), if there is a net decrease in Partner Minimum Gain attributable to a Partner Nonrecourse Debt during any Partnership Year, each Partner who has a share of the Partner Minimum Gain attributable to such Partner Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i) (5), shall be specially allocated items of Partnership income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Partner's share of the net decrease in Partner Minimum Gain attributable to such Partner Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i) (5). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Partner pursuant thereto. The items to be so allocated shall be determined in accordance with Regulations Section 1.704-2(i) (4). This Section 1.B is intended to comply with the minimum gain chargeback requirement in such Section of the Regulations and shall be interpreted consistently therewith. Solely for purposes of this Section 1.B, each Partner's Adjusted Capital Account Deficit shall be determined prior to any other allocations pursuant to Section 6.1 of the Agreement or this Exhibit with respect to such Partnership Year, other than allocations pursuant to Section 1.A hereof.

C. *Qualified Income Offset.* In the event any Partner unexpectedly receives any adjustments, allocations or distributions described in Regulations Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), or 1.704-1(b)(2)(ii)(d)(6), and after giving effect to the allocations required under Sections 1.A and 1.B hereof with respect to such Partnership Year, such Partner has an Adjusted Capital Account Deficit, items of Partnership income and gain (consisting of a pro rata portion of each item of Partnership income, including gross income and gain for the Partnership Year) shall be specially allocated to such Partner in an amount and manner sufficient to eliminate, to the extent required by the Regulations, its Adjusted Capital Account Deficit created by such adjustments, allocations or distributions as quickly as possible. This Section 1.C is intended to constitute a "qualified income offset" under Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

D. *Gross Income Allocation.* In the event that any Partner has an Adjusted Capital Account Deficit at the end of any Partnership Year (after taking into account allocations to be made under the preceding paragraphs hereof with respect to such Partnership Year), each such Partner shall be specially allocated items of Partnership income and gain (consisting of a pro rata portion of each item of Partnership income, including gross income and gain for the Partnership Year) in an amount and

manner sufficient to eliminate, to the extent required by the Regulations, its Adjusted Capital Account Deficit.

E. *Nonrecourse Deductions.* Nonrecourse Deductions for any Partnership Year shall be allocated to the Partners in accordance with their respective Percentage Interests. If the General Partner determines in its good faith discretion that the Partnership's Nonrecourse Deductions must be allocated in a different ratio to satisfy the safe harbor requirements of the Regulations promulgated under Section 704(b) of the Code, the General Partner is authorized, upon notice to the Limited Partners, to revise the prescribed ratio for such Partnership Year to the numerically closest ratio which would satisfy such requirements.

F. *Partner Nonrecourse Deductions.* Any Partner Nonrecourse Deductions for any Partnership Year shall be specially allocated to the Partner who bears the economic risk of loss with respect to the Partner Nonrecourse Debt to which such Partner Nonrecourse Deductions are attributable in accordance with Regulations Sections 1.704-2(b)(4) and 1.704-2(i).

G. *Code Section 754 Adjustments.* To the extent an adjustment to the adjusted tax basis of any Partnership asset pursuant to Section 734(b) or 743(b) of the Code is required, pursuant to Regulations Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis), and such item of gain or loss shall be specially allocated to the Partners in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to such Section of the Regulations.

2. *Allocations for Tax Purposes*

A. Except as otherwise provided in this Section 2, for federal income tax purposes, each item of income, gain, loss and deduction shall be allocated among the Partners in the same manner as its correlative item of "book" income, gain, loss or deduction is allocated pursuant to Section 6.1 of the Agreement and Section 1 of this *Exhibit C*.

B. In an attempt to eliminate Book-Tax Disparities attributable to a Contributed Property or Adjusted Property, items of income, gain, loss, and deduction shall be allocated for federal income tax purposes among the Partners as follows:

(b) (1) In the case of a Contributed Property, such items attributable thereto shall be allocated among the Partners consistent with the principles of Section 704(c) of the Code to take into account the variation between the 704(c) Value of such property and its adjusted basis at the time of contribution (taking into account Section 2.C of this *Exhibit C*); and

(c) any item of Residual Gain or Residual Loss attributable to a Contributed Property shall be allocated among the Partners in the same manner as its correlative item of "book" gain or loss is allocated pursuant to Section 6.1 of the Agreement and Section 1 of this *Exhibit C*.

(d) (2) In the case of an Adjusted Property, such items shall

(i) first, be allocated among the Partners in a manner consistent with the principles of Section 704(c) of the Code to take into account the Unrealized Gain or Unrealized Loss attributable to such property and the allocations thereof pursuant to *Exhibit B*;

(ii) second, in the event such property was originally a Contributed Property, be allocated among the Partners in a manner consistent with Section 2.B(1) of this *Exhibit C*; and

(d) any item of Residual Gain or Residual Loss attributable to an Adjusted Property shall be allocated among the Partners in the same manner its correlative item of "book" gain or loss is allocated pursuant to Section 6.1 of the Agreement and Section 1 of this *Exhibit C*.

C. To the extent Regulations promulgated pursuant to Section 704(c) of the Code permit a Partnership to utilize alternative methods to eliminate the disparities between the Carrying Value of property and its adjusted basis, the General Partner shall, subject to the following, have the authority to elect the method to be used by the Partnership and such election shall be binding on all Partners. With respect to the Contributed Properties transferred to the Partnership in connection with the Consolidation, the Partnership shall elect to use the "traditional method" set forth in Regulations Section 1.704-3(b).

EXHIBIT D NOTICE OF REDEMPTION

The undersigned hereby irrevocably (i) tenders for redemption Partnership Units in SL Green Operating Partnership, L.P. in accordance with the terms of the First Amended and Restated Agreement of Limited Partnership of SL Green Operating Partnership, L.P., as amended, and the Redemption Right referred to therein, (ii) surrenders such Partnership Units and all right, title and interest therein and (iii) directs that the Cash Amount or Shares Amount (as determined by the General Partner) deliverable upon exercise of the Redemption Right be delivered to the address specified below, and if Shares are to be delivered, such Shares be registered or placed in the name(s) and at the address(es) specified below. The undersigned hereby represents, warrants, and certifies that the undersigned (a) has marketable and unencumbered title to such Partnership Units, free and clear of the rights of or interests of any other person or entity, (b) has the full right, power and authority to redeem and surrender such Partnership Units as provided herein and (c) has obtained the consent or approval of all persons or entities, if any, having the right to consult or approve such redemption and surrender.

Dated: _____

Name of Limited Partner: _____

(Signature of Limited Partner)

(Street Address)

If Shares are to be issued, issue to:

Name:

Please insert social security or identifying number:

EXHIBIT E VALUE OF CONTRIBUTED PROPERTY

Underlying Property	704(c) Value	Agreed Value
36 West 44th Street (mortgage indebtedness)		
470 Park Avenue South (fee simple)		
673 First Avenue		

(K interest in net leasehold)

29 West 35th Street
(fee simple)

1414 Avenue of the Americas
(fee simple)

70 West 36th Street
(fee simple)

Emerald City Construction Corp.
(100% of non-voting common stock)

S.L. Green Management Corp.
(100% of non-voting common stock)

S .L. Green Leasing, Inc.
(100% of non-voting common stock)

QuickLinks

[FIRST AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP OF SL GREEN OPERATING PARTNERSHIP, L.P.](#)

[TABLE OF CONTENTS](#)

[EXHIBIT A PARTNERS AND PARTNERSHIP INTERESTS](#)

[EXHIBIT B CAPITAL ACCOUNT MAINTENANCE](#)

[EXHIBIT C SPECIAL ALLOCATION RULES](#)

[EXHIBIT D NOTICE OF REDEMPTION](#)

[EXHIBIT E VALUE OF CONTRIBUTED PROPERTY](#)

[FIRST AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP OF SL GREEN OPERATING PARTNERSHIP, L.P.](#)

[ARTICLE I. DEFINED TERMS](#)

[ARTICLE II. ORGANIZATIONAL MATTERS](#)

[ARTICLE III. PURPOSE](#)

[ARTICLE IV. CAPITAL CONTRIBUTIONS AND ISSUANCES OF PARTNERSHIP INTERESTS](#)

[ARTICLE V. DISTRIBUTIONS](#)

[ARTICLE VI. ALLOCATIONS](#)

[ARTICLE VII. MANAGEMENT AND OPERATIONS OF BUSINESS](#)

[ARTICLE VIII. RIGHTS AND OBLIGATIONS OF LIMITED PARTNERS](#)

[ARTICLE IX. BOOKS, RECORDS, ACCOUNTING AND REPORTS](#)

[ARTICLE X. TAX MATTERS](#)

[ARTICLE XI. TRANSFERS AND WITHDRAWALS](#)

[ARTICLE XII. ADMISSION OF PARTNERS](#)

[ARTICLE XIII. DISSOLUTION AND LIQUIDATION](#)

[ARTICLE XIV. AMENDMENT OF PARTNERSHIP AGREEMENT; MEETINGS](#)

[ARTICLE XV. GENERAL PROVISIONS](#)

[EXHIBIT A PARTNERS AND PARTNERSHIP INTERESTS](#)

[EXHIBIT B CAPITAL ACCOUNT MAINTENANCE](#)

[EXHIBIT C SPECIAL ALLOCATION RULES](#)

[EXHIBIT D NOTICE OF REDEMPTION](#)

[EXHIBIT E VALUE OF CONTRIBUTED PROPERTY](#)

**First Amendment to the
First Amended and Restated Agreement
of Limited Partnership**

Of

SL Green Operating Limited Partnership, L.P.

This Amendment is made as of May 14, 1998 by and among SL Green Realty Corp., a Maryland Corporation, as managing general partner (the "Company" or the "Managing General Partner") of SL Green Operating Limited Partnership, L.P, a Delaware limited partnership (the "Partnership"), and as attorney-in-fact for the Persons named on Exhibit A to the Agreement of Limited Partnership of SL Green Operating Limited Partnership, dated as of August 20, 1997 (the "Partnership Agreement") for the purpose of amending the Partnership Agreement. Capitalized terms used herein and not defined shall have the meanings given to them in the Partnership Agreement.

WHEREAS, the Board of Directors of the Company (the "Board"), by Unanimous Consent of the Trustees dated May 11, 1998 and by action of the Pricing Committee of the Board pursuant to delegated authority on May 12, 1998, classified and designated 4,600,000 shares of Preferred Stock (as defined in the Articles of Incorporation of the Company (the "Charter")) as Series A Preferred Stock (as defined below);

WHEREAS, the Board filed Articles Supplementary to the Charter (the "Articles Supplementary") with the State Department of Assessments and Taxation of Maryland on May 14, 1998, establishing the series of preferred stock, designated Series A Preferred Stock;

WHEREAS, on May 12, 1998, the Company issued 4,600,000 shares of the Series A Preferred Stock;

WHEREAS, the Managing General Partner has determined that, in connection with the issuance of the Series A Preferred Stock, it is necessary and desirable to amend the Partnership Agreement to create additional Partnership Units having designations, preferences and other rights which are substantially the same as the economic rights of the Series A Preferred Stock.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the Managing General Partner hereby amends the Partnership Agreement as follows:

1. Article 1 of the Partnership Agreement is hereby amended by adding the following definitions:

"Series A Preferred "means the 8.0% Series A Convertible, Cumulative Preferred Stock of the Company, with the preferences, conversion and other rights, voting powers, restrictions, limitations as to distributions, qualifications and terms and conditions of redemption of shares as described in the Articles Supplementary; and

"Series A Preferred Units" means the series of Partnership Units representing units of Limited Partnership Interest designated as the 8.0% Series A Convertible, Cumulative Preferred Units with the preferences, conversion and other rights, voting powers, restrictions, limitations as to distributions, qualifications and terms and conditions of redemption of units as described herein; and

2. In accordance with Section 4.2.A of the Partnership Agreement, set forth below are the terms and conditions of the Series A Preferred Units hereby established and issued to the Company in

consideration of the Company's contribution to the Partnership of the net proceeds following the issuance and sale of the Series A Preferred by the Company:

A. *Designation and Number.* A series of Partnership Units, designated as Series A Preferred Units, is hereby established. The number of Series A Preferred Units shall be 4,600,000.

B. *Rank.* The Series A Preferred Units shall, with respect to distribution rights and rights upon voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Partnership, rank (a) senior to the Class A Units, Class B Units and all Partnership Interests ranking junior to the Series A Preferred Units; (b) on a parity with all other Partnership Interests issued by the Partnership the terms of which specifically provide that such Partnership Interests rank on a parity with the Series A Preferred Units; and (c) junior to all Partnership Interests issued by the Partnership the terms of which specifically provide that such Partnership Interests rank senior to the Series A Preferred Units.

C. *Distributions.*

(i) Pursuant to Section 5.1 of the Partnership Agreement, holders of Series A Preferred Units shall be entitled to receive, out of Available Cash, cumulative preferential cash distributions equal to the greater of (i) 8.0% of the \$25.00 liquidation preference per annum (equivalent to a fixed annual amount of \$2.00 per unit) or (ii) the cash dividends paid or payable (determined on each of the Series A Preferred Unit Distribution Payment Dates referred to below) on the number of shares of Common Stock equal to the number of shares of Common Stock (or portion thereof) into which a share of Series A Preferred is convertible. Distributions on the Series A Preferred Units shall be payable quarterly and be cumulative from the fifteenth day of each January, April, July, and October or, if not a business day, the next succeeding business day (each, a "Series A Preferred Unit Distribution Payment Date"). Any distribution (including the initial distribution) payable on the Series A Preferred Units for any partial distribution period shall be prorated and computed on the basis of a 360-day year consisting of twelve 30-day months.

(ii) No distribution on the Series A Preferred Units shall be authorized by the Board or paid or set apart for payment by the partnership at such time as the terms and provisions of any agreement of the Partnership, including any agreement relating to its indebtedness, prohibits such authorization, payment or setting apart for payment or provides that such authorization, payment or setting apart for payment would constitute a breach thereof, or a default thereunder, or if such authorization or payment shall be restricted or prohibited by law. No interest, or sum of money in lieu of interest, shall be payable in respect of any distribution payment or payments on the Series A Preferred Units which may be in arrears.

Notwithstanding the foregoing, distributions with respect to the Series A Preferred Units shall accumulate whether or not any of the foregoing restrictions exist, whether or not there is sufficient Available Cash for the payment thereof and whether or not such distributions are authorized. Accumulated but unpaid distributions on Series A Preferred Units shall not bear interest and holders of the Series A Preferred Units shall not be entitled to any distributions in excess of full cumulative distributions. Any distribution payment made on the Series A Preferred Units shall first be credited against the earliest accumulated but unpaid distribution due with respect to such units which remains payable.

(iii) Except as provided in subsection 2.C.(iv), if any Series A Preferred Units are outstanding, no distributions (other than in Partnership Interests ranking senior to the Series A Preferred Units as to distributions and upon liquidation, dissolution or winding up of the affairs of the Partnership) shall be declared or paid or set apart for payment nor shall any other distribution be declared or made upon the Class A Units, the Class B Units, or any other Partnership Interests ranking junior to or on a parity with the Series A Preferred Units as to distributions or upon liquidation, dissolution or winding up of

the affairs of the Partnership for any period unless full cumulative distributions have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for such payment on the Series A Preferred Units for all past distribution periods and the then current distribution period, nor shall any Class A Units, Class B Units, or any other Partnership Interests ranking junior to or on a parity with the Series A Preferred Units as to distributions or upon liquidation, dissolution or winding up of the affairs of the Partnership, be redeemed, purchased or otherwise acquired for any consideration (or any moneys be paid to or made available for a sinking fund for the redemption of any such Partnership Interests) by the Partnership (except by

conversion into or exchange for Partnership Interests ranking junior to the Series A Preferred Units as to distributions and upon liquidation, dissolution or winding up of the affairs of the Partnership).

(iv) When distributions are not paid in full (or a sum sufficient for such full payment is not so set apart) upon the Series A Preferred Units and any other Partnership Interests ranking on a parity as to distributions with the Series A Preferred Units, all distributions declared upon the Series A Preferred Units and any other Partnership Interests ranking on a parity as to distributions with the Series A Preferred Units shall be declared pro rata so that the amount of distributions declared per unit of Series A Preferred Units and such other Partnership Interests shall in all cases bear to each other the same ratio that accumulated distributions per unit on the Series A Preferred Units and such other Partnership Interests (which shall not include any accumulation in respect of unpaid distributions for prior distribution periods if such other Partnership Interests do not have a cumulative distribution) bear to each other.

(v) Holders of Series A Preferred Units shall not be entitled to any distribution, whether payable in cash, property or Partnership Interests, in excess of full cumulative distributions on the Series A Preferred Units as described above. Accumulated but unpaid distributions on the Series A Preferred Units will accumulate as of the Series A Preferred Units Distribution Payment Date on which they first become payable.

D. *Allocations.*

Allocations of the Partnership's items of income, gain, loss and deduction shall be allocated among holders of Series A Preferred Units in accordance with Article VI of the Partnership Agreement.

E. *Liquidation Preference.*

(i) In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Partnership, the holders of the Series A Preferred Units shall be entitled to receive out of the assets of the Partnership available for distribution to the Partners pursuant to Section 13.2.A of the Partnership Agreement a liquidation preference of \$25.00 per Series A Preferred Unit, plus an amount equal to any accumulated and unpaid distributions to the date of payment, before any distribution of assets is made to holders of Class A Units, Class B Units or any other Partnership Interests that rank junior to the Series A Preferred Units as to liquidation rights.

(ii) If upon any such voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Partnership, the assets of the Partnership are insufficient to make such full payment to holders of the Series A Preferred Units and the corresponding amounts payable on all other Partnership Interests ranking on a parity with the Series A Preferred Units in the distribution of assets, then the holders of such Partnership Interests shall share ratably in any such distribution of assets in proportion to the full liquidating distributions to which they would otherwise be respectively entitled.

(iii) After payment of the full amount of the liquidating distributions to which they are entitled, the holders of Series A Preferred Units shall have no right or claim to any of the remaining assets of the Partnership.

(iv) None of a consolidation or merger of the Partnership with or into another entity, merger of another entity with or into the Partnership, a statutory unit exchange by the Partnership or a sale, lease or conveyance of all or substantially all of the Partnership's property or business shall be considered a liquidation, dissolution or winding up of the affairs of the Partnership.

F. *Redemption.*

In connection with redemption by the Company of any of its Series A Preferred Shares in accordance with the provisions of the Articles Supplementary, the Partnership shall provide cash to the Company for such purpose which shall be equal to the redemption price (as set forth in the Articles Supplementary) and one Series A Preferred Unit shall be canceled with respect to each Series A Preferred Share so redeemed by the Company. From and after the Series A Preferred Share Redemption Date (as defined in the Articles Supplementary), the Series A Preferred Units so canceled shall no longer be outstanding and all rights hereunder, to distributions or otherwise, with respect to such Series A Preferred Units shall cease.

G. *Conversion.*

In connection with conversion into shares of Common Stock, \$.01 par value per share of the Company ("Common Stock") of any Series A Preferred Shares in accordance with the provisions of the Articles Supplementary, the Partnership shall (i) issue to the Company a number of Class A Units equal to the number of Common Shares issued by the Company upon such conversion; and (ii) provide cash to the Company, if necessary, in an amount equal to the amount of cash paid by the Company upon conversion of any Series A Preferred Shares which would otherwise result in the issuance of fractional Common Shares. One Series A Preferred Unit, or any fraction thereof, shall be canceled with respect to each Series A Preferred Share, or any fraction thereof, so converted, and from and after such conversion, the Series A Preferred Units so canceled shall no longer be outstanding and all rights hereunder, to distributions or otherwise, with respect to such Series A Preferred Units shall cease.

3. Except as modified herein, all terms and conditions of the Partnership Agreement shall remain in full force and effect, which terms and conditions the Managing General Partner hereby ratifies and confirms.

* * * * *

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the date first set forth above.

SL GREEN REALTY CORP.,
a Maryland corporation, as Managing General Partner of
SL Green Operating Limited Partnership and on behalf
of existing Limited Partners.

By: _____

Name:
Title:

QuickLinks

[First Amendment to the First Amended and Restated Agreement of Limited Partnership Of SL Green Operating Limited Partnership, L.P.](#)

NEW YORK STATE REALTY AND TERMINAL
COMPANY

WITH

WEBB & KNAPP, INC. AND GRAYSLER
CORPORATION

MODIFIED AGREEMENT OF LEASE
OF GRAYBAR BUILDING

DATED, DECEMBER 30, 1957

AFFECTING PREMISES ON THE WESTERLY SIDE OF LEXINGTON
AVENUE, 253 FEET 4 INCHES NORTHERLY OF 42nd STREET

Recorded in the office of the Register of the City of New York, New York County,
on December 31, 1957, in Liber 5024 of Conveyances, page 251.

MODIFIED AGREEMENT OF LEASE, made the 30th day of December, 1957, between
NEW YORK STATE REALTY AND TERMINAL COMPANY, a corporation of the State of
New York, having its principal office at 466 Lexington Avenue, Borough of
Manhattan, City of New York, hereinafter called the Lessor, party of the first
part, and WEBB & KNAPP, INC., a corporation of the State of Delaware, having an
office at 383 Madison Avenue, Borough of Manhattan, City of New York, and
GRAYSLER CORPORATION, a corporation of the State of New York, having its
principal office at 383 Madison Avenue, Borough of Manhattan, City of New York,
hereinafter collectively called the Lessee, parties of the second part;

WHEREAS, by lease dated July 30, 1925, recorded in the office of the
Register of the County of New York on September 12, 1925, in Liber 3496 of
Conveyances, at page 183, the Lessor did lease unto Eastern Offices, Inc., and
Eastern Offices, Inc. did take and hire from the Lessor, the portion above
certain planes of that parcel of land in the Borough of Manhattan, City of New
York, situate on the westerly side of Lexington Avenue, distant 253 feet 4
inches northerly of 42nd Street, upon which the Graybar Building, hereinafter
called the Building, is now constructed, as more particularly described in said
lease, for a term to expire on November 1, 1946, with the right to two
additional terms of 21 years each, conditioned as provided in the lease, subject
to the exceptions and reservations, at the rentals and additional rentals and
upon the covenants, conditions, limitations and agreements in said lease
contained; and

WHEREAS, by agreements dated respectively October 21, 1927, June 19, 1928,
and November 2, 1938, recorded in said Register's office respectively in Liber
3672 of Conveyances, at page 388, Liber 3901 of Mortgages, at page 228, and
Liber 4278 of Conveyances, at page 217, said lease was modified in certain
respects as by reference to

2

said agreements will more fully appear; and by agreement dated April 5, 1944,
and supplemental agreement dated April 12, 1944, recorded in the office of the
Register of the City of New York, in the County of New York, on May 26, 1944, in
Liber 4287 of Conveyances, at pages 208 and 195 respectively, said lease was
further modified and extended and renewed for the first renewal term of
twenty-one years to expire on October 31, 1967, as provided for in said lease
and upon the terms and conditions in said supplemental agreement contained; and
by agreement dated July 20, 1950, recorded in said Register's office on August
1, 1950, in Liber 5174 of Mortgages, at page 265, said lease was further
modified as by reference to said agreement will more fully appear; and by
Modified Agreement of Lease made as of January 1, 1953, recorded in said
Register's office on October 9, 1953, in Liber 4854 of Conveyances, at page 307,
said lease was further modified and extended as by reference to said agreement
will more fully appear, said lease as modified and extended as aforesaid being
herein called the existing lease; and

WHEREAS, Webb & Knapp, Inc. and Graysler Corporation have duly acquired by
mesne assignments undivided interests of 75% and 25%, respectively, in the
existing lease; and

WHEREAS, the parties hereto desire to extend the current term of and to
modify the existing lease, as herein provided, and by this instrument to express
all the terms, rentals and additional rentals, covenants, conditions,
limitations, agreements, reservations, and exceptions in accordance with which
the premises hereinafter described shall be held by the Lessee from the Lessor
under lease, but nothing herein contained shall be deemed to constitute a
surrender of the leasehold estate granted by the existing lease; and

WHEREAS, by instrument dated December 30, 1957, The New York Central
Railroad Company has modified and

extended the existing grant of term to the Lessor for a term ending June 30, 1976, with provision for one additional term of eleven years and seven months ending January 31, 1988, and thereafter for two additional terms of twenty-one years each, in the portion of the parcel of land hereinafter described which is not excepted from this lease.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH:

That the Lessor has agreed to let and hereby does let unto the Lessee, and the Lessee has agreed to take and hereby does take and hire from the Lessor, for the term, at the rentals and additional rentals, and upon the covenants, conditions, limitations and agreements herein contained and with the exceptions and reservations herein set forth, in the following respective undivided interests, to wit, an undivided 75% interest as to Webb & Knapp, Inc. and an undivided 25% interest as to Graysler Corporation, all that parcel of land (including the Building thereon, and such fixtures and appurtenances in the Building in which the Lessor has any title or interest) in the Borough of Manhattan, City of New York, bounded and described as follows:

BEGINNING at a point in the westerly line of Lexington Avenue distant 253 feet 4 inches northerly of the corner formed by the intersection of the northerly line of 42nd Street with the westerly line of Lexington Avenue, and running thence westerly parallel with the northerly line of 42nd Street 275 feet, more or less, to the easterly line of Depew Place as it formerly existed (now discontinued and closed); thence northerly parallel with the westerly line of Lexington Avenue, and along the easterly line of Depew Place as it formerly existed (now discontinued and closed), 248 feet 4 1/2 inches; thence easterly parallel with the northerly line of 42nd Street 275 feet, more or less, to the westerly line of Lexington Avenue; thence southerly

4

along the westerly line of Lexington Avenue 248 feet 4 1/2 inches, more or less, to the point or place of beginning.

Excepting, however, from the above described parcel of land, all the following portions thereof (the elevations hereinafter referred to and shown on the plot plans hereto attached have reference to the datum plane of The New York Central Railroad Company which takes for its elevation 0 feet 0 inches mean highwater mark of the East River at the foot of East 26th Street):

(a) ALL that portion of the parcel of land above described lying below an inclined plane drawn at elevation 42.02 feet along the easterly side, and elevation 44.04 feet along the westerly side, and intersecting the easterly, westerly, northerly and southerly bounds of all that portion of the parcel of land above described, bounded and described as follows:

Beginning at a point in the westerly line of Lexington Avenue distant 315 feet 3 1/2 inches northerly of the corner formed by the intersection of the northerly line of 42nd Street with the westerly line of Lexington Avenue; thence westerly and parallel with the northerly line of 42nd Street 172 feet 0 1/2 of an inch; thence northerly and parallel with the westerly line of Lexington Avenue 39 feet 2 inches; thence westerly and parallel with the northerly line of 42nd Street 30 feet 7 inches; thence northerly and parallel with the westerly line of Lexington Avenue 147 feet 3 inches; thence easterly and parallel with the northerly line of 42nd Street 202 feet 7 1/2 inches to the westerly line of Lexington Avenue; thence southerly along the westerly line of Lexington Avenue 186 feet 5 inches to the point or place of beginning.

Said excepted portion of said parcel of land is shown as (a) on the plot plan hereto attached, dated December 10, 1957, entitled "Plot Plan No. 1 Showing Limits

5

and Planes", and identified by the signature of F. H. Simpson, Chief Engineer of The New York Central Railroad Company.

There is demised to the Lessee, however, the right to construct and maintain a pipe space or gallery of an area of approximately 970 square feet, extending below the plane of sub-division (a) above described and along the easterly side thereof.

(b) Also, all that portion of the parcel of land above described, lying below an horizontal plane drawn at elevation 53.33 feet, and intersecting the easterly, westerly, northerly and southerly bounds of all that portion of the parcel of land above described, bounded and described as follows:

Beginning at a point distant 355 feet 8 1/2 inches north of the northerly line of 42nd Street and distant 202 feet 7 1/2 inches west of the westerly line of Lexington Avenue; thence westerly and parallel with the northerly line of 42nd Street 6 feet 6 inches; thence northerly and parallel with the westerly line of Lexington Avenue 19 feet 9 inches; thence westerly and parallel with the northerly line of 42nd Street 37 feet 6 inches; thence southerly and parallel with the westerly line of Lexington Avenue 19 feet 3 inches; thence westerly

and parallel with the northerly line of 42nd Street 28 feet 4 1/2 inches; thence northerly and parallel with the westerly line of Lexington Avenue 145 feet 6 inches; thence easterly and parallel with the northerly line of 42nd Street 72 feet 4 1/2 inches; thence southerly and parallel with the westerly line of Lexington Avenue 146 feet 0 inches, to the point or place of beginning.

Said excepted portion of said parcel of land is shown as (b) on Plot Plan No. 1 above referred to, and hereto attached.

6

(b-1) Also, all that portion of the parcel of land above described, lying below an horizontal plane drawn at elevation 55.42 feet, and intersecting the easterly, westerly, northerly and southerly bounds of all that portion of the parcel of land above described, bounded and described as follows:

Beginning at a point distant 315 feet 3 1/2 inches north of the northerly line of 42nd Street and 246 feet 7 1/2 inches west of the westerly line of Lexington Avenue; thence westerly and parallel with the northerly line of 42nd Street 28 feet 4 1/2 inches; thence northerly and parallel with the westerly line of Lexington Avenue 40 feet 11 inches; thence easterly and parallel with the northerly line of 42nd Street 28 feet 4 1/2 inches; thence southerly and parallel with the westerly line of Lexington Avenue 40 feet 11 inches to the point or place of beginning.

Said excepted portion of said parcel of land is shown as (b-1) on Plot Plan No. 1 above referred to, and hereto attached.

(b-2) Also, all that portion of the parcel of land above described, lying below an horizontal plane drawn at elevation 56.70 feet and intersecting the easterly, westerly, northerly and southerly bounds of all that portion of the parcel of land above described, bounded and described as follows:

Beginning at a point distant 315 feet 3 1/2 inches north of the northerly line of 42nd Street and 202 feet 7 1/2 inches west of the westerly line of Lexington Avenue; thence westerly and parallel with the northerly line of 42nd Street 44 feet; thence northerly and parallel with the westerly line of Lexington Avenue 60 feet 2 inches; thence easterly and parallel with the northerly line of 42nd Street 37 feet 6 inches; thence southerly and parallel with the westerly line of Lexington Avenue 19 feet 9 inches; thence easterly and

7

parallel with the northerly line of 42nd Street 6 feet 6 inches; thence southerly and parallel with the westerly line of Lexington Avenue 40 feet 5 inches, to the point or place of beginning.

Said excepted portion of said parcel of land is shown as (b-2) on Plot Plan No. 1 above referred to, and hereto attached.

(b-3) Also, all that portion of the parcel of land above described, lying below an horizontal plane drawn at elevation 56.63 feet and intersecting the easterly, westerly, northerly and southerly bounds of all that portion of the parcel of land above described, bounded and described as follows:

Beginning at a point distant 315 feet 3 1/2 inches north of the northerly line of 42nd Street and 172 feet 0 1/2 of an inch west of the westerly line of Lexington Avenue; thence westerly and parallel with the northerly line of 42nd Street 30 feet 7 inches; thence northerly and parallel with the westerly line of Lexington Avenue 39 feet 2 inches; thence easterly and parallel with the northerly line of 42nd Street 30 feet 7 inches; thence southerly and parallel with the westerly line of Lexington Avenue 39 feet 2 inches to the point or place of beginning.

Said excepted portion of said parcel of land is shown as (b-3) on Plot Plan No. 1 above referred to, and hereto attached.

(c) Also, all that portion of the parcel of land above described, lying below an horizontal plane drawn at elevation 77.75 feet and intersecting the easterly, westerly, northerly and southerly bounds of all that portion of the parcel of land above described, bounded and described as follows:

Beginning at a point in the westerly line of Lexington Avenue distant 253 feet 4 inches north of the

8

corner formed by the intersection of the northerly line of 42nd Street with the westerly line of Lexington Avenue; thence westerly and parallel with the northerly line of 42nd Street 93 feet 10 3/4 inches; thence northerly and parallel with the westerly line of Lexington Avenue 22 feet 3 inches; thence westerly and parallel with the northerly line of 42nd Street 181 feet 1 1/4 inches; thence northerly and parallel with the westerly line of Lexington Avenue 39 feet 8 1/2 inches; thence easterly and parallel with the northerly line of 42nd Street 275 feet to the westerly line of Lexington Avenue; thence southerly along the westerly line of Lexington Avenue 61 feet 11 1/2 inches to the point or place of beginning.

Said excepted portion of said parcel of land is shown as (c) on Plot Plan No. 1 above referred to, and hereto attached.

There is also excepted under sub-division (c) above, space used for a stairway to the Subway station as provided for in Agreement dated January 20th, 1915, between the New York State Realty and Terminal Company, The New York Central Railroad Company, The New York, New Haven and Hartford Railroad Company and The City of New York, acting by the Public Service Commission for the First District, the said stairway being known as Stairway No. 4 in said agreement, which stairway is constructed as provided in said agreement and the use thereof is subject to the provisions of said agreement.

There is, however, demised to the Lessee the right to maintain as now constructed, distributing girders and passage for fire stairs above the ceiling of the passageway leading from Lexington Avenue to the Grand Central Terminal building extending below the plane of sub-division (c) above described and also the right to construct and maintain a pipe space or gallery of an area of approximately 184 square feet under the passageway floor and

9

along the easterly side of parcel (c), and also the right to maintain and renew the existing pipes and ducts above the ceiling of said passageway.

(c-1) Also, all that portion of the parcel of land above described, lying below an horizontal plane drawn at elevation 67.83 feet and intersecting the easterly, westerly, northerly and southerly bounds of all that portion of the parcel of land above described, bounded and described as follows:

Beginning at a point distant 253 feet 4 inches north of the northerly line of 42nd Street and distant 107 feet 0 3/4 of an inch west of the westerly line of Lexington Avenue; thence westerly and parallel with the northerly line of 42nd Street 167 feet 11 1/4 inches; thence northerly and parallel with the westerly line of Lexington Avenue 22 feet 3 inches; thence easterly and parallel with the northerly line of 42nd Street 181 feet 1 1/4 inches; thence southerly and parallel with the westerly line of Lexington Avenue 3 feet 5 1/2 inches; thence westerly and parallel with the northerly line of 42nd Street 13 feet 2 inches; thence southerly and parallel with the westerly line of Lexington Avenue 18 feet 9 1/2 inches to the point or place of beginning.

Said excepted portion of said parcel of land is shown as (c-1) on Plot Plan No. 1 above referred to and hereto attached.

There is, however, demised to the Lessee the right to maintain and renew the existing pipes and ducts located above the ceiling of the passageway leading from Lexington Avenue to the Grand Central Terminal building extending below the plane of sub-division (c-1) above described, and also the right to maintain as now constructed the fire stairs extending into the easterly side of parcel (c-1) and leading to the passage for fire stairs above the ceiling of said passageway.

10

(d) Also, all that portion of the parcel of land above described, lying below an horizontal plane drawn at elevation 42.54 feet and intersecting the easterly, westerly, northerly and southerly bounds of all that portion of the parcel of land above described, bounded and described as follows:

Beginning at a point distant 253 feet 4 inches north of the northerly line of 42nd Street and distant 93 feet 10 3/4 inches west of the westerly line of Lexington Avenue; thence westerly and parallel with the northerly line of 42nd Street 13 feet 2 inches; thence northerly and parallel with the westerly line of Lexington Avenue 6 feet 10 inches; thence easterly and parallel with the northerly line of 42nd Street 7 feet 8 inches; thence northerly and parallel with the westerly line of Lexington Avenue 11 feet 11 1/2 inches; thence easterly and parallel with the northerly line of 42nd Street 5 feet 6 inches; thence southerly and parallel with the westerly line of Lexington Avenue 18 feet 9 1/2 inches to the point or place of beginning.

Said excepted portion of said parcel of land is shown as (d) on Plot Plan No. 1 above referred to, and hereto attached.

(d-1) Also, all that portion of the parcel of land above described, lying below an inclined plane drawn at elevation 42.54 feet along the southerly side and elevation 47.52 feet along the northerly side and intersecting the easterly, westerly, northerly and southerly bounds of all that portion of the parcel of land above described, bounded and described as follows:

Beginning at a point distant 260 feet 2 inches north of the northerly line of 42nd Street and distant 99 feet 4 3/4 inches west of the westerly line of Lexington Avenue; thence westerly and parallel with the northerly line of 42nd Street 7 feet 8 inches; thence northerly and parallel with the westerly line of Lexington Avenue 5 feet 6 1/2 inches; thence easterly and

11

parallel with the northerly line of 42nd Street 7 feet 8 inches; then

southerly and parallel with the westerly line of Lexington Avenue 5 feet 6 1/2 inches to the point or place of beginning.

Said excepted portion of said parcel of land is shown as (d-1) on Plot Plan No. 1 above referred to, and hereto attached.

(d-2) Also, all that portion of the parcel of land above described, lying below an horizontal plane drawn at elevation 47.52 feet and intersecting the easterly, westerly, northerly and southerly bounds of all that portion of the parcel of land above described, bounded and described as follows:

Beginning at a point distant 265 feet 8 1/2 inches north of the northerly line of 42nd Street and distant 99 feet 4 3/4 inches west of the westerly line of Lexington Avenue; thence westerly and parallel with the northerly line of 42nd Street 7 feet 8 inches; thence northerly and parallel with the westerly line of Lexington Avenue 6 feet 5 inches; thence easterly and parallel with the northerly line of 42nd Street 7 feet 8 inches; thence southerly and parallel with the westerly line of Lexington Avenue 6 feet 5 inches to the point or place of beginning.

Said excepted portion of said parcel of land is shown as (d-2) on Plot Plan No. 1 above referred to, and hereto attached.

(e) Also, all that portion of the parcel of land above described, lying between a lower horizontal plane drawn at elevation 67.83 feet and an upper horizontal plane drawn at elevation 79.67 feet, and intersecting the easterly, westerly, northerly and southerly bounds of all that portion of the parcel of land above described, bounded and described as follows:

Beginning at a point distant 253 feet 4 inches north of the northerly line of 42nd Street and distant

12

211 feet 7 inches west of the westerly line of Lexington Avenue; thence westerly and parallel with the northerly line of 42nd Street 47 feet 2 1/2 inches; thence northerly and parallel with the westerly line of Lexington Avenue 11 feet 6 inches; thence easterly and parallel with the northerly line of 42nd Street 21 feet 1 1/2 inches; thence northerly and parallel with the westerly line of Lexington Avenue 2 feet 3 inches; thence easterly and parallel with the northerly line of 42nd Street 26 feet 1 inch; thence southerly and parallel with the westerly line of Lexington Avenue 13 feet 9 inches to the point or place of beginning. Said excepted portion of said parcel of land is shown as (e) on plot plan hereto attached, dated December 10, 1957, entitled "Plot Plan No. 2 Showing Limits and Planes", and identified by the signature of F. H. Simpson, Chief Engineer of The New York Central Railroad Company.

There is, however, demised to the Lessee the right to maintain and renew the distributing girders and existing pipes and ducts located in said excepted space.

(f) Also, all that portion of the parcel of land above described, lying between a lower horizontal plane drawn at elevation 77.75 feet and an upper horizontal plane drawn at elevation 124 feet, and intersecting the easterly, westerly, northerly and southerly bounds of all that portion of the parcel of land above described, bounded and described as follows:

Beginning at a point distant 253 feet 4 inches north of the northerly line of 42nd Street and distant 70 feet 1 1/4 inches west of the westerly line of Lexington Avenue; thence westerly and parallel with the northerly line of 42nd Street 23 feet 7 inches; thence northerly and parallel with the westerly line of Lexington Avenue 21 feet 6 1/2 inches; thence easterly and parallel

13

with the northerly line of 42nd Street 23 feet 7 inches; thence southerly and parallel with the westerly line of Lexington Avenue 21 feet 6 1/2 inches to the point or place of beginning.

Said excepted portion of said parcel of land is shown as (f) on Plot Plan No. 2 above referred to, and hereto attached.

The elevations and dimensions of the excepted spaces may vary somewhat in the Building as actually constructed, from the elevations and dimensions above set forth in subdivisions (a) to (f) both inclusive hereof, and it is understood and agreed that said elevations and dimensions shall be subject to such slight variations therein as may exist in connection with the Building as constructed, and that any existing steel or other structural work projecting into said excepted spaces shall remain, together with any necessary alterations thereof or substitutions therefor which may be approved by the Lessor.

Reserving, also, for the exclusive use of the Lessor, its successors and assigns, and the occupants of the excepted spaces, one elevator shaft having an area of approximately 150 square feet at the approximate location shown on Plot Plan No. 1 above referred to and hereto attached, extending from the Express Level of the Grand Central Terminal to elevation 59.50 feet, with the right to the Lessor, its successors and assigns, to attach the supports for the machinery and guides of said elevator to the building steel and to operate the elevator located in said shaft.

Reserving also to the Lessor, its successors and assigns, and the occupants of the excepted spaces, the exclusive use of one air intake duct or shaft having an approximate area of 150 square feet, and extending from the Suburban Level of the Grand Central Terminal to the elevation 101.33 feet, the elevation of the ceiling of the third floor of the Building, also one ventilating shaft having an area of 60 square feet and five ventilating shafts, each having an area of 15

14

square feet, extending from the Suburban Level of the Grand Central Terminal to the roof of the Building, and two ventilating shafts each having an area of 12 square feet, extending from said Suburban Level to the roof of the Courts, all at the approximate locations shown on Plot Plan No. 2 above referred to and hereto attached, together with the right to the Lessor, its successors and assigns, to construct and maintain penthouses and motors and fans upon the roof of said Building at the locations of said respective ventilating shafts, and to operate said motors and fans.

The Lessor, its successors and assigns, and the occupants of the excepted spaces, shall have the right to maintain as now constructed the twelve openings with ventilating louvres, extending up to elevation 124 feet, in the southerly wall of the Building on the southerly side of parcels (c) and (f) above, and also the right to construct and maintain one opening with ventilating louvres in the southerly wall of the Building on the southerly side of parcel (c-1) above, at about elevation 52.89 feet and distant to center approximately 109.8 feet west of the westerly line of Lexington Avenue.

The Lessor, its successors and assigns, and the occupants of the excepted spaces, shall also have the right to attach ducts, pipes, conduits, overhead contact rails, mail conveyors and other facilities and their supports to the under side of the building girders, floor beams and hung ceilings over said excepted portions of said parcel of land, and to repair, renew and maintain said ducts, pipes, conduits, overhead contact rails, mail conveyors and other facilities and their supports.

Subject, however, to such variations as may appear upon survey by City Surveyor, and to the covenants against nuisances, if any, of record affecting said premises, and to the Zoning and Building ordinances and regulations of the City of New York, and to existing subtenancies granted by the Lessee.

Subject also, however, to the right of the Lessor, its successors and assigns, to maintain, repair and renew the columns

15

supporting the viaduct and railroad structures adjoining the parcel of land above described on the west, at the locations shown on Plot Plan hereto attached, dated December 10, 1957, entitled "Plot Plan No. 3, Showing Viaduct Column Locations," and identified by the signature of F. H. Simpson, Chief Engineer of The New York Central Railroad Company, and also any other columns that may at any time be constructed in renewal or substitution, of said columns for the purpose of supporting said viaduct or the overhead roadway, at any time constructed in or over said westerly adjoining premises.

There is also demised to the Lessee during the term of this lease and any renewal or renewals thereof, if any there be, an easement for the support of the Building (or any building or buildings erected in the place thereof by the Lessee pursuant to the provisions of this lease), upon the columns and foundations thereof which have been constructed within the excepted spaces referred to above, and the Lessor does hereby covenant and agree for itself, and its successors and assigns, at all times during the term of this lease and any renewal or renewals thereof, if any there be, to maintain said columns and the foundations thereof within the excepted spaces (including any columns erected in substitution for or renewal of any of said columns) of unimpaired strength and in good repair.

There is also demised to the Lessee during the term of this lease and any renewal or renewals thereof, if any there be, an easement of light and air over the premises adjoining on the north created by deed made by The New York Central Railroad Company to United States of America, dated December 28th, 1932, as modified by agreement between The New York Central Railroad Company, United States of America and Eastern Offices, Inc., dated June 9th, 1936, and the right reserved by said deed to support the northerly three-story portion of the Building upon the building steel and foundations of the building upon the premises adjoining on the north the parcel of land on which the (Graybar) Building now stands.

16

Subject, however, to the height restriction affecting the northerly 40 feet of the parcel of land above described contained in said deed made by The New York Central Railroad Company to United States of America, dated December 28th, 1932, and the agreement permitting encroachments contained in said deed as modified by agreement between The New York Central Railroad Company, United States of America and Eastern Offices, Inc., dated March 17th, 1938.

There is demised to the Lessee during the term of this lease and any renewal or renewals thereof an easement to install, maintain and renew such mains, pipes, supports, connections, meters and other facilities as may be reasonably appropriate in order for the Lessee, or anyone claiming under or through the Lessee, to obtain from the public utility company furnishing such services in the Borough of Manhattan, City of New York, all steam for any use in

the Building and for the discharge of any condensate resulting therefrom, such steam line to be installed at the cost and expense of the Lessee from a point of connection in the steam meter room located in the subsurface of the driveway south of the demised premises, where the existing 20 inch diameter steam line of Consolidated Edison Company of New York, Inc. enters from Lexington Avenue, located approximately 18 feet south of the southeast corner of the Building and approximately at elevation 25 feet, and extending northerly from the above described point of connection to the southeast corner of the Building and rising thence in the existing masonry shaft within the southeast corner of the Building through the excepted space to elevation 78.50 feet, and thence northerly through the excepted space a distance of 5 feet, thence westerly a distance of 5 feet, thence southerly through the exterior wall of the Building and turning westerly on said exterior wall for a distance of 188 feet, and thence turning northerly through the exterior wall of the Building at elevation of 77.50 feet, thence northerly

17

through the demised premises 22 feet to the southerly wall of the excepted space, and thence 40 feet to the demised premises. The condensate drip-tank and pump or ejector at the meter equipment may be installed in the steam meter room. The condensate line shall adjoin the steam line from the steam meter to the aforementioned point at elevation approximately 78.50 feet and thence extend northerly across the excepted space for a distance approximately 62 feet. Such steam line and auxiliary equipment shall be installed in accordance with plans and specifications which shall be submitted to the Chief Engineer of the Lessor for approval, which approval the Lessor shall not unreasonably withhold or delay.

As to the parcels of land excepted under sub-divisions (c) and (c-1) above, a stairway to the Subway station, and a passageway (having a floor elevation of 43.20 feet to 46.31 feet and a ceiling elevation of 77.75 feet) extending from Lexington Avenue to the Grand Central Terminal building, have been constructed in a portion thereof at the locations shown on Plot Plan No. 1 hereto attached, and there is hereby demised to the Lessee the right for itself, its officers, agents and tenants to use for the purpose of passage on foot between Lexington Avenue, the Building, the stairway to the Subway station, and the Grand Central Terminal building, during the continuance of this lease and any renewals thereof, if any there be, the said passageway constructed as aforesaid within a portion of the space excepted under said sub-divisions (c) and (c-1); said right of use shall, however, be subject to the use of said passageway by the Lessor, The New York Central Railroad Company, The New York and Harlem Railroad Company and The New York, New Haven and Hartford Railroad Company (hereinafter called the Railroad Companies), their and each of their officers, agents, passengers, successors and assigns, and by such other parties as shall be permitted or granted the right by the Lessor or the Railroad Companies or any of them, to make use of the same; and said right of use shall also be subject to such reasonable

18

rules and regulations as may from time to time be established by the Terminal Manager of the Grand Central Terminal in respect of the use of said passageway by the Lessee, its officers, agents and tenants, with the view of avoiding congestion therein and in the Grand Central Terminal building.

In order to provide for the proper care and maintenance of said passageway, the Lessor shall arrange for the maintenance, lighting, cleaning and policing of said passageway by means of the Grand Central Terminal forces and facilities, and the Lessee shall pay to The New York Central Railroad Company promptly upon rendition of bills therefor, one-half of the expense of such maintaining, lighting, cleaning and policing, provided that any change made in the decorations, structure or finish of said passageway, except as to the south side of said passageway, shall be made only in accordance with plans approved by the Lessor, the Lessee and the Railroad Companies; and the Lessee shall not be charged for any part of the cost of maintaining, lighting or cleaning any store, shop, theatre, locker, booth or advertising display which the Lessor or the Railroad Companies may install in said passageway as provided in the next paragraph.

Said passageway shall be used, however, only for station purposes in connection with the Grand Central Terminal building and for the purpose of entrance and exit to and from Lexington Avenue, the Building, the stairway to the Subway station, and the Grand Central Terminal building; provided, however, that the Lessor and the Railroad Companies shall have the right exclusively to use and permit others to use the south side of said passageway out to the northerly face of the columns (other than the portions thereof presently used for access to and from the Subway station and to and from the stairway leading to the lower station level and for the emergency fire stairway) for store, shop, theatre or other purposes with entrances opening on said passageway, and with the right to use said passageway

19

for access to the premises used for such purposes and to premises southerly thereof, also the right to install, maintain and use parcel lockers, telephone booths and advertising displays along the southerly wall of said passageway and along the northerly wall west of the westerly entrance from said passageway to the Building, and the Lessor and the Railroad Companies shall have the right to make such alterations or changes as they may desire, but at their sole cost and expense, in the south side of said passageway and the south wall of the Building for the purposes aforesaid; and provided, further, that the Lessee shall have

the right to construct, maintain and use under and subject to the provisions of this lease, but at its sole cost and expense, doorways and display windows in the northerly wall of said passageway, east of the entrances from said passageway to the Building, for use in connection with stores or other purposes in the Building, and with the right to use said passageway for access to the portions of the Building used for such stores or other purposes.

The Lessor shall have the right to modify or alter said passageway structurally so as to provide for access therefrom to train platforms constructed or which may be constructed within the excepted spaces, and in connection therewith to take and use or permit to be used such portion of the demised premises (other than the portions of the demised premises used for elevator purposes and the two entrances from said passageway to the lobby of the Building) as shall be reasonably necessary for such purpose, provided that the Lessor shall, at its sole cost and expense, make such changes in the Building, in accordance with plans approved by the Lessor, as shall be suitable for such purpose, and the Lessor shall not give any such approval without the prior written approval of the Lessee, and provided further, that the Lessor shall pay to the Lessee the then rental value of the portion of the demised premises so taken and used, or permitted to be used, for such purpose (including an appropriate allowance in respect of the Lessee's renewal privileges hereunder), and the portion of

20

the demised premises so taken and used shall thenceforth be deemed excepted from this lease, and in case the Lessor and the Lessee shall be unable to agree upon such rental value, then such value shall be determined by three arbitrators appointed as provided in Paragraph Fourteenth hereof, and the award of said arbitrators or of a majority of them shall be binding and conclusive upon the parties hereto. The expense of any such arbitration shall be borne as provided in said Paragraph.

The Lessee agrees that, so long as space in the Building shall continue to be used by the Post Office Department, at the approximate location of the space presently so used, the Lessee shall operate and maintain one elevator extending into the excepted space from said Post Office space at the location shown on Plot Plan No. 2 hereto attached.

In respect of the parcel of land about 45 feet in width adjoining on the south the parcel of land above described, it is understood that title thereto is vested in The New York Central Railroad Company, which is using the surface and sub-surface of said parcel for railroad and terminal purposes, and that said Railroad Company may construct or permit the construction of such structures therein and thereover as may at any time be deemed by it advisable, extending all or a portion of the distance from Lexington Avenue to former Depew Place, but the Railroad Company shall not construct, or permit to be constructed, any structures therein or thereover above elevation 80 feet, which is below the windows in the second floor of the Building (the intent of this proviso being to protect the light and air to the Building above said elevation), and it is further understood that the Lessee shall have the right to maintain the existing standpipes and the existing emergency stairway extending from the third floor of the Building at a point about 100 feet 5 1/2 inches westerly from the southeasterly corner of said Building to said parcel of land adjoining on the south, and which standpipes

21

and stairway shall not, as a result of any such construction or other action of said Railroad Company, or anyone claiming by, through or under said Railroad Company, become or be declared in violation of any applicable ordinances and/or other legal requirements. If as the result of any such construction or other action of said Railroad Company, or anyone claiming by, through or under said Railroad Company, the applicable municipal or other ordinances or legal requirements shall require alterations or replacements to said standpipes, stairway, or the Building or its facilities, the Lessor will cause such alterations or replacements to be made in a manner which complies with all such municipal and/or other ordinances and legal requirements and in accordance with plans and specifications submitted to and approved by the Lessee and without cost or expense to the Lessee. The provisions of this paragraph shall pertain to the standpipe connection in the westerly wall of the Building as well as the standpipe connections in the southerly wall of the Building.

In respect of the parcel of land adjoining on the west the parcel of land above described, constituting a portion of the bed of former Depew Place, now discontinued and closed, it is understood that title thereto is vested in The New York Central Railroad Company, which is using the surface and sub-surface of said parcel for railroad and terminal purposes, and that said Railroad Company may use or permit the use by others of the surface of said parcel of land for the purposes of passage, and may impose such restrictions as it may from time to time deem advisable upon the use for the purpose of passage on the surface of said parcel by the Lessee, use of the surface of which parcel for the purposes of passage on foot and with vehicles, subject to the provisions of this paragraph, is hereby demised to the Lessee, subject also to use of said parcel for the overhead roadway or driveway constructed in and over a portion or portions thereof and to

22

easement of passage for the public on foot and with vehicles over the surface of said roadway or driveway, granted by The New York Central Railroad Company to The City of New York by indenture dated April 11th, 1924, but said Railroad

Company shall not construct, or permit to be constructed, any structures therein or thereover above the elevation of the highest member of said overhead roadway or driveway so constructed (the intent of this proviso being to protect the light and air to the Building above said elevation).

For the term of eighteen years, five months and two days to commence on December 30, 1957, and to end May 31, 1976; at the annual rental or sum of Three Hundred Ninety Thousand Dollars (\$390,000.00) lawful money of the United States, payable in equal monthly installments of Thirty-two Thousand Five Hundred Dollars (\$32,500.00) in advance on the first day of January, 1958, and on the first day of each and every month in each and every year thereafter during the term of this lease, and at the additional rentals hereinafter set forth, except that the Ground Rental for the period from the date of commencement of the term to and including December 31, 1957, has been paid by the Lessee prior to the execution and delivery of this lease. The \$390,000 annual rental provided for in this paragraph is herein referred to as the Ground Rental.

Subject, however, to the exclusive right of the Lessor and of the Railroad Companies and each of them, their and each of their successors and assigns, grantees and licensees, to occupy and use (but not to the impairment of the easement of support of the Building and subject to the use by the Lessee as above provided of the passageway constructed in a portion of the space excepted under subdivisions (c) and (c-1) above) all those portions of the parcel of land above described excepted from this lease under subdivisions (a) to (f), both inclusive above, for the construction and maintenance of railroad, station and terminal structures and improvements, and of such other

23

structures, equipments and improvements as the Lessor and the Railroad Companies, their or any of their successors or assigns, may from time to time, or at any time or times hereafter deem advisable to construct or maintain therein, and for the operation therein and thereunder of the respective railroads operated by the Railroad Companies, their and each of their successors and assigns, and of such other companies as shall lawfully secure the right to use or operate the respective railroads operated by the Railroad Companies, or any of them, and for such other uses and purposes (exclusive of such other uses and purposes as will injuriously affect the use and enjoyment of the demised premises by the Lessee) as the Lessor and the Railroad Companies, or any of them, their or any of their successors and assigns, may from time to time or at any time or times hereafter deem advisable to occupy or use said excepted portions or to permit or to grant the right to others to occupy or use said excepted portions.

And it is also hereby covenanted and agreed between the parties hereto as follows, each party covenanting for itself, its successors and assigns:

FIRST: That the Lessee shall well and punctually pay to the Lessor at the Grand Central Terminal, Borough of Manhattan, City of New York, the Ground Rental above provided on the days the same is payable, without diminution, deduction or delay, and shall also as additional rental hereunder pay to the Lessor from time to time as such water rents and sewer rents shall become payable, all sums that may during the term of this lease be assessed, imposed or charged upon the demised premises, or any part thereof, for Croton or other water rents and sewer rents, whether by meter or otherwise, exclusive, however, of the sums, if any, imposed thereon for water or sewer used by the Lessor or the Railroad Companies in the excepted space.

That the Lessee shall also as an additional rental hereunder during each and every year of the term of this lease,

24

pay to the Lessor within thirty days after the taxes in any such year shall be payable (in case the taxes shall be payable in installments, each installment shall be deemed payable hereunder on the day that such installment becomes a lien upon the parcel of land above described), a sum of lawful money of the United States equal to eighty (80%) per centum of the amount of the taxes, ordinary and extraordinary, for such year that may be taxed, charged, imposed or assessed upon the parcel of land above described (including the portions thereof excepted as aforesaid), or upon the Lessor or the Railroad Companies, or any of them, their or any of their successors and assigns, on account of the value of said parcel of land as if wholly unimproved; and also such additional sum of lawful money of the United States as will equal the entire taxes, ordinary and extraordinary, for such year, taxed, charged, imposed or assessed upon the parcel of land above described (including the portions thereof excepted as aforesaid) on account of the value of the improvements constructed thereon (exclusive of the value of the railroad structures, as hereinafter defined, within the spaces excepted under sub-divisions (a) to (f), both inclusive above), the value of the improvements being ascertained by deducting from the assessed value of the land with the improvements thereon, the assessed value of the land, if wholly unimproved. In case in any year the assessment for taxes upon the parcel of land above described on account of the value of the improvements constructed thereon shall include without separation, the value of the railroad structures constructed in the portion of the parcel of land above described excepted from this lease under subdivisions (a) to (f), both inclusive above, then in arriving at the amount of the taxes on account of improvements payable by the Lessee hereunder in any such year, a proper deduction shall be made from the amount of taxes assessed upon the parcel of land above described on account of the value of the improvements constructed

25

thereon, based upon the ratio that the cost of the railroad structures constructed in the portion of the parcel of land described in sub-divisions (a) to (f), both inclusive above, bears to the cost of all the structures constructed upon said parcel of land; in arriving at such deduction, however, the foundations, columns, bracings and portions of the building constructed below the planes shown on the Plot Plans above referred to and hereto attached, and the finish of one-half of the passageway included in the space excepted under sub-divisions (c) and (c-1) above, other than the finish of the south side of said passageway, shall be considered as building structures and not as railroad structures. In such event the Lessor shall furnish the Lessee with a statement as to the cost of the railroad structures and will otherwise cooperate with the Lessee and the arbitrators in determining the relative costs of the railroad and building structures.

With respect to the taxes for the year 1957-1958 there shall be payable by the Lessee the taxes (upon the basis above provided) for the portion of the year subsequent to January 1, 1958, and with respect to the taxes for the last year of the term of this lease, or in case of renewal, of the last year of such renewal term, there shall be payable by the Lessee hereunder the proportionate part of such last year's taxes only to December 31st. The tax year under this paragraph shall be deemed to commence on July first.

In case, however, at any time or times during the term of this lease, or any renewal or renewals thereof, if any there be, the taxes upon the parcel of land above described considered as unimproved, shall by reason of the use of a portion thereof for railroad purposes, be assessed at a different rate, in a different manner or upon a different basis of assessment than real estate generally in the City of New York, and in case by reason thereof the taxes so assessed shall be greater or less than if assessed at the same rate, in the same manner and upon the same basis of assessment as real estate generally in said City, then there shall be

26

added to or deducted from said taxes, as the case may be, in arriving at the portion of said taxes payable by the Lessee hereunder, such sum as shall be equal to the decrease or increase in such taxes due to such different rate, different manner or different basis of assessment.

In case also, at any time or times during the term of this lease, or any renewal or renewals thereof, if any there be, the law with respect to the method of assessing taxes shall be changed so as to exclude from the assessment the value or some portion of the value of the improvements erected upon lands, and by reason of such change in the method of assessment the amount of the taxes assessed upon said parcel of land above described, exclusive of improvements, shall be increased, then an adjustment shall be had between the parties hereto as to the amount of the taxes payable by the parties hereto hereunder respectively subsequent to such time, to the end that the relative proportion of the entire taxes upon said parcel of land (both land and improvements) payable by the parties hereto hereunder prior to such time may be preserved.

No portion of the taxes upon the franchises, business or income of the Lessor or of the occupants of the excepted spaces, or their respective successors and assigns, shall be payable by the Lessee hereunder, and no portion of the taxes upon the franchises, business or income of the Lessee, its successors or assigns, shall be payable by the Lessor hereunder.

In case any disagreement shall arise between the parties hereto as to the amount of the taxes payable by the Lessee hereunder, the matter so in disagreement shall be submitted for determination to three arbitrators appointed as provided in Paragraph Fourteenth hereof, whose decision, or that of a majority of them, shall be binding and conclusive upon the parties hereto. The expense of any such arbitration shall be borne as provided in said Paragraph. In case of any disagreement as aforesaid, the Lessee shall pay to the Lessor at the time above provided

27

for the payment of such taxes, on account of the taxes so in disagreement, a sum of money equal to the proportion of the taxes of the preceding year payable by the Lessee hereunder, and the Lessor shall pay to the proper Municipal authorities the full amount of the taxes for the year so in dispute. Upon the determination by the arbitrators appointed as above provided, of the amount of the taxes to be paid by the Lessee for such year, then the Lessor shall at once pay to the Lessee, or the Lessee shall at once pay to the Lessor, as the case may be, a sum equal to the amount that the sum so paid by the Lessee on account of said taxes as aforesaid, shall be found to be in excess of or less than the true amount thereof to be paid by the Lessee as determined by said arbitrators, together with interest thereon at the rate of six (6%) per centum per annum.

That the Lessee shall also as an additional rental hereunder, pay to the Lessor within thirty days after any such charges or assessments shall be payable, a sum of lawful money of the United States equal to eighty (80%) per centum of the total amount of any and all other charges and assessments for local improvements or otherwise, that may during the term of this lease be taxed, charged, imposed or assessed upon the parcel of land above described, including the portions thereof excepted as aforesaid. In case, however, any such assessment shall or may be payable in installments, nothing herein contained shall impose any obligation upon the Lessee to pay any installment of any such assessment that shall or may be payable in installments as aforesaid, falling due subsequent to the expiration of the term of this lease, or last renewal term of this lease, if there be such renewal.

That the Lessee shall, however, have the right to contest in good faith, by legal proceedings, conducted promptly and at its own expense in the name of the Lessee or Lessor, any water rents, sewer rents, taxes, charges or assessments imposed upon the parcel of land above described, and in case any such water rents, sewer rents, taxes, charges or

28

assessments shall as a result of any such legal proceedings be reduced, cancelled, set aside or otherwise discharged, the Lessee shall be entitled to receive its proportion of such water rents, sewer rents, taxes, charges or assessments, with interest, if any thereon recovered, which has theretofore been paid to the Lessor as herein provided. In case, however, such legal proceedings shall be conducted by request of the Lessee in the name of the Lessor, the Lessee shall indemnify and save harmless the Lessor from any and all costs, charges or expenses in connection therewith.

That in case the Lessee shall pay to the Lessor the additional rental payable hereunder in respect of taxes or assessments before the Lessor shall have paid such taxes or assessments, the Lessor agrees to receive and hold in a fiduciary capacity the additional rental so paid by the Lessee in respect of taxes or assessments and to apply the amount so received to the payment of such taxes or assessments.

That in case the Lessor shall fail to pay any of the taxes or assessments imposed upon the parcel of land above described within thirty days after receipt from the Lessee of the amount of such taxes or assessments payable by the Lessee hereunder, the Lessee shall have the right to pay any such taxes or assessments so unpaid, and set off the amount so paid with interest thereon at the rate of six (6%) per centum per annum PRO TANTO against the rental payments falling due hereunder subsequent to such time.

Notwithstanding the foregoing provisions of this Paragraph First the Lessee shall not be obligated to make any payment in respect of any tax or similar charges pursuant hereto until the rendition by the Lessor to the Lessee of a bill therefor, showing the aggregate amount of such tax or other charge and the portion thereof payable by the Lessee pursuant hereto.

SECOND: That the word "Building" as used in this Paragraph and elsewhere in this lease, is intended to include

29

the building constructed upon the parcel of land above described and any and all changes and alterations made in said building, and any building at any time constructed in the place thereof pursuant to the provisions of this lease.

The words "demised premises" as used in this Paragraph and elsewhere in this lease, are intended to include the parcel of land above described and the improvements constructed and at any time constructed thereon (excepting the portions thereof excepted from this lease as hereinabove provided).

The term "railroad structures", as used in this Paragraph and elsewhere in this lease, is intended to include any new or existing construction or improvements on the south side of the above-mentioned passageway, any new construction within the portion of the demised premises which may be taken and used, and excepted from this lease, as hereinabove provided, for the purpose of providing access from said passageway to train platforms within the excepted space, and any other structures, improvements and equipment now or hereafter constructed, installed or maintained within the spaces exempted from this lease as hereinabove provided by any person or corporation, other than the Lessee, its successors, assigns or subtenants, for railroad, terminal, station or other uses or purposes.

That the Lessee shall during the term of this lease, at its own cost and expense, operate the demised premises and the elevators and other facilities therein, and maintain and keep in good condition and repair the Building and all parts thereof, both inside and outside (except the railroad structures and the columns, bracings and foundations of the Building within the spaces excepted from this lease which are to be maintained by the Lessor at its own cost and expense) and the fixtures and facilities in the Building or forming part thereof, including all water, drainage, electric lighting, heating, gas, elevator, power, sewer, plumbing and other fixtures and facilities therein,

30

and shall also at its own cost and expense, comply with, conform to and obey all laws, ordinances, rules, orders and notices of the United States, of the State of New York, of the City of New York and of the various departments and bureaus of the United States and of said State and City, having or claiming any right or authority with respect to the Building, either inside or outside (excepting the portions thereof excepted from this lease as hereinabove provided) or the use thereof, or the surfacing of or removal of snow and ice from the sidewalks or driveways adjacent thereto or the curbs along the roadways. The Lessee shall also indemnify and save harmless the Lessor of and from any and all damages and costs and claims for same growing out of loss of life or damage or injury to person or property occasioned in the maintenance, repair, use and operation of the demised premises and the fixtures and facilities therein contained, or occasioned by the failure of the Lessee properly to maintain the same in good condition and repair, or properly to maintain the surfacing of the sidewalks and the curbs in good condition and repair, or properly to remove the snow and ice from said sidewalks and driveways; and if the Lessee at any time or times during

the continuance of this lease shall fail or neglect, after thirty days' notice in writing from the Lessor, to take such action as may be necessary to place said demised premises, fixtures and facilities in good condition and repair, or to comply with the requirements of the United States or of the State or Municipal authorities as aforesaid, or to secure the cancellation of the notices of violation of said requirements or any liens filed in connection therewith, the Lessor shall have the right and is hereby authorized on reasonable notice to enter upon the demised premises and every part thereof and to make such repairs to said demised premises, fixtures and facilities or to perform such acts in order to conform to the requirements of the United States or of the State or Municipal authorities as aforesaid, as the case may be, as may be

31

reasonably necessary, and the expense of any and all such repairs made by the Lessor as aforesaid, and of the compliance with the requirements of said authorities as aforesaid, and of the discharge of any liens filed as aforesaid, shall be considered as additional rental hereunder, and shall be added to the Ground Rental payment falling due next after the time of such expenditure, and shall be paid by the Lessee at the time of payment of said rental; the Lessee shall have the right, however, in good faith at its own expense, to contest the validity or legality of any requirement or lien of the United States or of the State or Municipal authorities as aforesaid, and pending such contest actively prosecuted by the Lessee, the non-compliance with such requirement or the continuance of such lien shall not be deemed a default under the provisions of this Paragraph, provided the Lessee shall have furnished to the Lessor indemnity satisfactory to the Lessor against any loss on the part of the Lessor by reason thereof.

THIRD: That this lease and the leasehold estate hereby created and/or the interest under this lease of any person, firm or corporation constituting the Lessee hereunder, may be assigned from time to time to any one or more persons, firms or corporations; provided, however, that at the time of any such assignment there exists no uncured default on the Lessee's part to be performed under this lease and with respect to which default a notice has been served by the Lessor upon the Lessee in accordance with the provisions of this lease relating thereto; and provided further, however, that any assignment of this lease and the leasehold estate hereby created shall be made only upon the condition, and any instrument of assignment shall expressly provide, that the assignee, or assignees, shall assume and agree to pay the Ground Rental and additional rental which shall have accrued and remain unpaid and which shall thereafter accrue under this lease and to comply with and perform all of the other

32

covenants, conditions, limitations and agreements on the part of the Lessee to be complied with and performed under this lease, with the same force and effect as if originally named as the Lessee in this lease. Upon the making of any such assignment upon the condition aforesaid, the respective assignor shall be released from all liability under this lease, except for Ground Rental and additional rental for water rents, sewer rents, taxes, and insurance premiums, if any, which shall have accrued prior to the date of the delivery of such assignment (provided, however, that liability of such assignor for Ground Rental and additional rental as aforesaid accrued prior to the date of the making of such assignment shall not be deemed to include any liability for any retroactive adjustments made in the Ground Rental or additional rental as aforesaid subsequent to the date of the making of any such assignment), and the Lessor agrees to furnish to any assignor of this lease, upon the making of any assignment of this lease as herein permitted, an instrument or instruments duly acknowledged, certifying to the existence of no default under this lease, if there be no such default, and stating the date to which rent and additional rent have been paid, and in such event releasing the assignor from any liability theretofore or thereafter accruing hereunder, except as aforesaid. Any mortgage or deed of trust upon the leasehold estate hereby created shall by its terms be made expressly subject to all the Lessor's rights under the provisions, covenants, conditions, exceptions and reservations contained in this lease. Notwithstanding anything in this Paragraph contained to the contrary, the assignment of this lease and the leasehold estate hereby created (a) to a purchaser at a foreclosure sale in any action or proceeding to foreclose any mortgage or deed of trust becoming a lien upon the leasehold estate, or (b) to any person, firm or corporation in lieu of the foreclosure of any such mortgage or deed of trust, whether or not there is existing or continuing a default

33

in the performance of any of the covenants, conditions, limitations or agreements upon the part of the Lessee to be performed hereunder, shall not be deemed to be in violation of this Paragraph; provided, however, that all of the other conditions and provisions of this Paragraph are complied with, including the assumption by such purchaser or such person, firm or corporation of all the obligations of the Lessee under this lease, and provided further, however, that such purchaser or such person, firm or corporation shall, as a condition to any such assignment, pay or cause to be paid to the Lessor all sums then due from the Lessee to the Lessor under this lease. In the event that the purchaser at any such foreclosure sale, or the person, firm or corporation acquiring said leasehold estate in lieu of the foreclosure of any such mortgage or deed of trust, shall be a designee or nominee of, or a corporation created by or for the benefit of, the holder of any such mortgage, or the Trustee under any such deed of trust or the holder or holders of bonds or other evidence of indebtedness issued and outstanding thereunder, the Lessor agrees that said holder of said mortgage or said Trustee under said deed of trust or the holder or holders of

any of said bonds or other evidence of indebtedness, as the case may be, shall in no event be liable for any obligations undertaken or assumed by such purchaser or such person, firm or corporation, and the Lessor agrees to look solely to such purchaser or person, firm or corporation and not to the holder of said mortgage or to the Trustee under said deed of trust, or to the holder or holders of said bonds or other evidence of indebtedness, as the case may be, in respect of any liability of any description assumed or agreed to by any such purchaser or by any such person, firm or corporation.

Nothing in this lease shall be construed, however, to prevent the devolution of this lease by operation of law upon, or the passage of this lease by operation of law to, any corporation into which the Lessee (or any assignee of

34

this lease who shall have complied with the requirements for assumption of liability set forth in the preceding paragraph) shall be merged; provided always, however, that the corporation into which said Lessee or assignee shall be merged shall, either by operation of law or by an express instrument of assignment, assume all the covenants, conditions, limitations and agreements on the part of the Lessee to be complied with and performed under this lease, with the same force and effect as if originally named as the Lessee in this lease.

Nothing in this lease shall be construed to prevent the Lessee from subletting all or portions of the demised premises for the uses and purposes herein permitted. The performance of any of the obligations of the Lessee hereunder by any subtenant shall be deemed to be the equivalent of the performance thereof by the Lessee.

FOURTH: That the Lessee shall use the demised premises only for a high-grade office building, except that the ground floor and floor next above the ground floor may be used for banks, for trust companies, or for stores, and the Lessee shall not use or permit or allow the demised premises or any portion thereof to be used for any purpose other than as above provided without the consent of the Lessor first had and obtained.

That the Lessee in connection with its use of the demised premises or the use of said premises by its tenants or subtenants shall not construct or allow or permit to be constructed any advertising signs upon the roof, walls or windows of the Building, or any lettering upon the windows, nor shall the Lessee permit the windows above the floor next above the ground floor, or the windows, if any, in the spaces adjoining the passageway of the Lessor, to be used for advertising or display purposes, without in each case the written consent of the Lessor first had and obtained, except that such bronze or brass plates may be placed on the walls, and such lettering on the windows of either the ground floor or the floor next above the ground

35

floor of the Building, as shall be in harmony with the general character of the respective adjoining properties and as shall not tend to lower the character or appearance of the Building or its surroundings.

That the Lessee shall also, at its own cost and expense, comply with all the regulations, rules and requirements of the Board of Fire Underwriters in respect of the demised premises, and shall not knowingly permit any article to be brought upon or any act to be done upon or about the demised premises that will cause any policy of insurance thereon to be cancelled, or increase the rates of such insurance beyond that usually charged for tenanted buildings of a similar character and construction used for the purposes herein authorized.

FIFTH: That the Lessee shall not suffer, allow or permit the loading of any of the floors of the Building, or any portion or portions thereof, beyond the weights permitted by the building ordinances of the City of New York as changed from time to time during the term of this lease by lawful orders of the Municipal authorities having jurisdiction in the premises.

SIXTH: That the Lessee shall make no structural alterations or structural changes in the interior of the Building, and no alterations or changes in the exterior of the Building or in the bearing walls, supports, beams or foundations, or that will increase the load carried by said walls, supports, beams or foundations, without the written consent of the Lessor first had and obtained, and plans and specifications showing such proposed alterations and changes shall be submitted to the Lessor for approval upon the application for such consent, and all alterations or changes, made with the written consent of the Lessor as aforesaid, shall be made at the sole cost and expense of the Lessee under the supervision of an architect or engineer appointed by the Lessee and approved by the Lessor for

36

such purpose, and, if the same is required by law, shall also be made in accordance with plans and specifications first submitted to and approved by the Building Department of the City of New York and the other Municipal authorities having charge of such changes and alterations and in accordance with such rules and regulations as said Municipal authorities may from time to time make in regard thereto. The Lessee shall also make no change in the mechanical, lighting and sanitary equipment in the Building that will make such equipment unsafe, unsanitary or unfit for the purpose for which it was installed. Alterations or changes in the interior partitions of office and store space in the premises or the removal therefrom by the Lessee or any subtenant of furniture, trade

fixtures or business equipment shall not be deemed to be structural alterations and changes for purposes of this Paragraph.

The Lessee shall have the right, however, at its own cost and expense, upon obtaining approval of the public authorities having jurisdiction, to install in the demised premises (1) a power plant for generating electric current or steam, or both, to be used within the Building, and (2) an air conditioning system for service within the Building, at locations satisfactory to the Lessor and in accordance with plans and specifications approved by the Chief Engineer of the Lessor, provided that any such construction shall not exceed such bearing weights on the building columns as shall be approved by the Lessor, and provided further that before commencing any such construction the Lessee shall furnish a bond or other security acceptable to the Lessor, conditioned upon the performance of such construction in accordance with the plans and specifications approved by the Chief Engineer of the Lessor as aforesaid and the requirements of the Federal, State and Municipal authorities having jurisdiction in respect thereof, free from mechanics' liens and other liens of every kind, except, however, that the Lessee shall have the right to obtain the moneys to pay for said equipment and the installation

37

thereof by either: (1) making a chattel mortgage or mortgages upon said power plant or air conditioning system, or both, to secure the repayment of such moneys with interest over a period not in excess of twenty years, or (2) purchasing the necessary equipment for said power plant or air conditioning system, or both, under a conditional sale contract or contracts, whereunder title shall be reserved to the seller or sellers until payment in full for such equipment is completed.

During the existence and for the purpose of any such chattel mortgage or mortgages or any such conditional sale contract or contracts, the power plant or air conditioning system, subject to the lien of such chattel mortgage or mortgages or to the reserved title in the seller or sellers under such conditional sale contract or contracts, shall be deemed personal property (not the property of the Lessor herein), and said personal property may be removed from the demised premises upon either foreclosure of such chattel mortgage or mortgages or default under the terms of such conditional sale contract or contracts, provided that in either event the damage, if any, caused to the Building or any portion thereof, by such removal, shall be repaired by the Lessee, chattel mortgagee or conditional vendor, who shall, if the same becomes necessary or is required by reason of such removal, make installations or alterations for the proper functioning of the Building for office use, and prior to any such removal the Lessor shall have the right to require a bond or other security conditioned upon the removal of such property and restoration of the Building as aforesaid satisfactory to the Lessor and in accordance with lawful requirements and free from liens. Except as otherwise above expressly provided, the power plant and air conditioning system, when installed in the demised premises, shall become and be part of the Building facilities and shall be maintained by the Lessee under and subject to the provisions of this lease and shall be surrendered to the Lessor at the expiration or sooner termination of the term of this lease or renewal term of this lease, if there be renewal.

38

The Lessee shall have the right at any time, and from time to time, to sell or dispose of any building equipment or personal property subject to this lease which may have become obsolete or unfitted for use, or which is no longer useful, necessary or profitable in the operation of the Building, provided that the Lessee shall then or theretofore, if the same be required for the proper functioning of the Building for use by its occupants, substitute for the same other building equipment or personal property, not necessarily of the same character, but of a value at least equal to the then value of the property so disposed of.

SEVENTH: That the Lessee shall also as additional rental hereunder pay to the Lessor, on the first day of each and every lease year during the term of this lease, such annual sum of lawful money of the United States, as, at the rates chargeable by insurance companies approved by the Lessor in any such year for insurance against loss or damage to the Building by fire and by lightning, windstorm, hail, explosion, riot and civil commotion, aircraft and vehicles and smoke, will pay all premiums for such insurance in amounts sufficient to prevent the Lessee or the Lessor from becoming a co-insurer within the terms of the applicable policies, but in any event, in amounts not less than eighty (80%) per centum of the then full insurable value of the Building, the term "full insurable value" to mean the actual replacement cost (excluding foundation and excavation costs), less physical depreciation, and the Lessor shall, upon receipt of such sums, apply the same for policies of insurance in insurance companies approved by the Lessor as aforesaid. All such policies of insurance shall name the Lessor and the Lessee and also, if the Lessee so requires, any sublessee or subsublessee of all or substantially all of the demised premises, as the insureds as their respective interests may appear. Subject to the provisions hereinafter in this Paragraph set forth, such policies shall be payable, if the Lessee so requires, to the holder of any mortgage or

39

to the Trustee under any deed of trust becoming a lien upon the leasehold estate hereby created or upon the leasehold estate created by any such sublease or subsublease as the interest of such holder or such Trustee may appear, pursuant to a standard mortgagee clause. The loss, if any, under any policies provided for in this Paragraph shall be adjusted with the insurance companies (a) by the

Lessee and any such sublessee or subsublessee or leasehold mortgagee in the case of any particular casualty resulting in damage or destruction not exceeding \$250,000 in the aggregate, or (b) by the Lessor and the Lessee and any such sublessee or subsublessee or leasehold mortgagee in the case of any particular casualty resulting in damage or destruction exceeding \$250,000 in the aggregate. The loss so adjusted shall be paid (i) to the Lessee in the case of any particular casualty resulting in a loss payment not exceeding \$250,000 in the aggregate, or (ii) to the Insurance Trustee hereinafter identified and, subject to the provisions of this Paragraph hereinafter set forth relating to the application of the proceeds of insurance, to the holder of any mortgage or to the Trustee under any deed of trust becoming a lien upon the leasehold estate hereby created to whom loss may be payable, in the case of any particular casualty resulting in a loss payment exceeding \$250,000 in the aggregate. All such policies of insurance shall provide that the loss, if any, thereunder shall be adjusted and paid as hereinabove provided. The Insurance Trustee to whom loss shall be payable as hereinabove set forth shall be such bank or trust company maintaining its principal office in the Borough of Manhattan, City and State of New York, as may be designated by the Lessor. The sum payable by the Lessee hereunder for insurance premiums may, if the Lessee so desires, be made in such amount as will pay for insurance premiums in companies approved as aforesaid for such number of years in excess of one year, as the Lessee may elect, and the amount so paid shall in that case be deemed a payment of the annual

40

sum provided for in this Paragraph for the years covered by such insurance. The Lessee may, if it so elects, furnish policies of insurance covering the risks specified above with premiums paid, to the Lessor, with loss payable as aforesaid, in insurance companies approved by the Lessor and to the amounts above specified, in lieu of the payment for such insurance herein provided for.

In the event that during the term of this lease the Building shall be damaged by fire, or by any of the other hazards specified above, then:

A. In case such damage or destruction shall result in a loss payment not exceeding \$250,000 in the aggregate under the policies of insurance referred to above, the Lessee shall, at its own cost and expense, proceed promptly and in a good and workmanlike manner to restore the damage so caused, and in case additional moneys shall be required to complete said repairs over and above the proceeds of insurance, then all such additional moneys shall be paid by the Lessee to the end that the Building shall be repaired or restored as nearly as possible to the condition the same was in immediately prior to such damage, free from liens of every kind. In case the proceeds of insurance recovered shall be in excess of the sums required to repair or restore the Building as aforesaid, the Lessee shall be entitled to such excess.

B. In case such damage shall result in a loss payment exceeding \$250,000, the Lessee shall, at its own cost and expense, proceed to repair, restore or replace the Building, or such part thereof as shall have been damaged or destroyed, and the proceeds of insurance, less the reasonable cost, if any, incurred in connection with the adjustment of the loss (hereinafter called the "insurance proceeds") in the hands of the Insurance Trustee, shall be applied by the Insurance Trustee to the payment of the cost of the aforesaid restoration,

41

repairs or replacement, including the cost of temporary repairs or for the protection of the property pending the completion of permanent restoration, repairs or replacement (all such temporary repairs, protection of property, and permanent restoration, repairs and replacement are hereinafter collectively referred to as the "restoration") and may be withdrawn from time to time as such restoration progresses upon the written request of the Lessee, which shall be accompanied by the following:

1. A certificate signed by an executive officer of the Lessee and signed also as to clause (c) by the architect or engineer in charge of the restoration (who shall be selected by the Lessee and shall be reasonably satisfactory to the Lessor), dated not more than thirty days prior to such request, setting forth the following:

(a) that the sum then requested to be withdrawn either has been paid by the Lessee or is justly due to contractors, subcontractors, materialmen, engineers, architects or other persons (whose names and addresses shall be stated), who have rendered services or furnished materials for the restoration, and giving a brief description of such services and materials and the several amounts so paid or due to each of said persons in respect thereof and stating that no part of such expenditures has been or is being made the basis for the withdrawal of any insurance proceeds in any previous or then pending request, or has been paid out of the proceeds of insurance not required to be paid to the Insurance Trustee under this Paragraph;

(b) that except for the amount, if any, stated in said certificate pursuant to the foregoing (a) to be due for services or materials, there is no outstanding

indebtedness known to the Lessee, after due inquiry, which is then due for labor, wages, materials, supplies or other services in connection with the restoration;

(c) that the cost, as estimated by such architect or engineer, of the restoration required to be done subsequent to the date of such certificate in order to complete the restoration, does not exceed the insurance proceeds remaining in the hands of the Insurance Trustee after withdrawal of the sum requested in such certificate.

2. A title company or official search or other evidence satisfactory to the Insurance Trustee, showing that there have not been filed with respect to the demised premises any vendor's, contractor's, mechanic's, laborer's or materialman's statutory or similar lien which has not been discharged of record, except such as will be discharged upon payment of the sum requested in such certificate.

3. An opinion of counsel stating that the instruments which have been or are therewith delivered to the Insurance Trustee conform to the requirements of the foregoing clauses 1 and 2 of this paragraph and that, upon the basis of such request, the insurance proceeds, the withdrawal of which is then requested, may be properly paid over under this Paragraph.

Upon compliance with the foregoing provisions of this Paragraph, the Insurance Trustee shall, out of the insurance proceeds, pay to the persons named in said certificate pursuant to the foregoing paragraph 1(a) of this Paragraph, the respective amounts stated in said certificate to be due to them, and shall pay to the Lessee the amounts stated in said certificate to have been paid by the Lessee. If the insurance proceeds shall be insufficient to pay the entire

cost of the restoration, the Lessee agrees to pay the deficiency. Upon the completion of the restoration and payment in full thereof, the whole balance of insurance proceeds, if any, then remaining in the hands of the Insurance Trustee may be withdrawn by the Lessee and shall be paid by the Insurance Trustee upon receipt of a certificate signed by an executive officer of the Lessee dated not more than ten days prior to such request, setting forth the following:

(i) that the restoration has been completed in full;

(ii) that all amounts which the Lessee is or may be entitled to withdraw under paragraph B of this paragraph have been withdrawn thereunder; and

(iii) that all amounts for whose payment the Lessee is or may become liable in respect of such restoration have been paid in full.

C. In case such damage or destruction shall occur at any time during the last five years of the last renewal term of this lease and the estimated cost of restoration shall exceed \$1,000,000, the Lessee shall have the right either to effect restoration in accordance with the foregoing provisions of this Paragraph Eighth or to terminate this lease. The Lessee shall make its election so to restore or terminate by giving notice of such election to the Lessor within 90 days after the date of such damage or destruction. If the Lessee shall elect to terminate this lease pursuant to this Subparagraph C, this lease shall cease and come to an end on a date to be specified by the Lessee in such notice of termination (which date shall be not less than 30 nor more than 60 days after the date of delivery of such notice). In case of any termination of this lease pursuant to this Subparagraph C the Lessee shall make all payments of Ground Rental and additional rent and other charges payable by the Lessee hereunder (which shall not, however, include any sum required for

the restoration of such destruction or damage) justly apportioned to the date of such termination and all proceeds of insurance under any policy or policies required by this Paragraph and received by reason of such destruction or damage shall be paid to and retained by the Lessor as its own property.

In the event that a new lease is entered into pursuant to the provisions of Paragraph Tenth hereof at any time after the occurrence of any damage or destruction and before the restoration of the Building has been completed, the provisions of this Paragraph Seventh relating to the application of, and the right to withdraw, insurance proceeds shall inure to the benefit of any lessee of such new lease to the extent of insurance proceeds remaining in the hands of the Insurance Trustee at the time of the expiration of this lease.

No reduction or diminution shall be made in the rentals and additional rentals herein provided for, on account of any loss or damage by fire or other casualty covered by insurance.

EIGHTH: That the Lessor shall furnish or cause to be furnished to the Lessee during the term of this lease, such direct current, but not in excess of the safe capacity of the presently installed service facilities, as may be required by the Lessee for the operation of elevators, ventilating fans, pumps and heavy machinery in the demised premises, and the Lessee shall pay monthly to the Lessor during the term of this lease as an additional rental hereunder, such sum of lawful money of the United States as the Lessor may from time to time

charge for furnishing such electric current, at reasonable rates and at rates in no event in excess of the prevailing rates charged for the time being for similar service in the Borough of Manhattan, City of New York, by the Consolidated Edison Company of New York, Inc., or such other reputable company as during the term of this lease shall then be engaged in the business of furnishing electric current

45

for lighting and power to the public generally in the Borough of Manhattan, City of New York. The service herein provided for, however, covers only the furnishing of electric current from one service switchboard of the standard form of The New York Central Railroad Company, unless the Lessor shall otherwise elect, and does not include any of the following: any connection beyond such switchboard, or care of the installation in the demised premises, or supply of any electric lamps or trimming of arc lamps therein, or the maintenance of the installation in the demised premises and of the wires, lamps and other lighting and power fixtures and facilities therein, all the foregoing excepted items being assumed by the Lessee under Paragraph Second hereof. The Lessee shall, without charge therefor, furnish to the Lessor a suitable and sufficient room in the ground floor of the Building, free from all pipes and other service facilities, at a location to be designated by the Lessee reasonably appropriate for the purpose, properly lighted and ventilated and with access thereto at all reasonable times, for such service connections, meters and switching and transforming apparatus as may be reasonably required in furnishing the service herein provided for, and also necessary conduits for a direct run of cables from the point of entrance of the conduits into the Building to the room above mentioned. The meter to be provided by the Lessor shall only be such meter or meters as is required by the Lessor to measure the current furnished to the demised premises from one service switchboard as aforesaid; any and all meters desired by the Lessee to measure the current used by the Lessee's tenants shall be provided by the Lessee.

Provided, however, that the Lessee shall discontinue the receiving of such direct current on or before December 31, 1959; and provided, further, that in the event that the Lessee shall arrange to obtain electric current, whether direct or alternating, from the Consolidated Edison Company

46

of New York, Inc., and shall require or deem it advisable to have connections with the service facilities of the Building in addition to those now maintained by said company, the Lessor shall permit said company to make such additional connections at such locations and under such regulations as may be approved by the Lessor, and the Lessor shall arrange for permission to be granted to the Consolidated Edison Company of New York, Inc., to install a conduit line with a connection extending from the nearest available point, as may be reasonably required by said company to make said additional connections with the service facilities of the Building at such locations and under such regulations as may be approved by the Lessor, it being understood that the Lessee shall pay such portion of the cost of installing such conduit line as shall not be assumed by the Consolidated Edison Company of New York, Inc.

That the Lessor shall also furnish, or cause to be furnished, to the Lessee during the term of this lease, a supply of steam sufficient properly to heat the demised premises when and as reasonably required by the Lessee, and also a supply of steam for heating the water for the plumbing facilities in the demised premises requiring hot water, and the Lessee shall pay monthly to the Lessor during the term of this lease as an additional rental hereunder, such sum of lawful money of the United States as the Lessor may from time to time charge for furnishing such heating medium, at reasonable rates and at rates in no event in excess of the prevailing rates charged for the time being for like service by the New York Steam Corporation or such other reputable Company as during the term of this lease shall then be engaged in the business of furnishing steam for heating to the public generally in the Borough of Manhattan, City of New York. The service herein provided for, however, covers only the furnishing of such heating medium, and does not include any of the following: any reducing valve or valves or any connections beyond the meter or meters, or care of the pipes, valves, radiators,

47

coils and the other heating fixtures and facilities in the demised premises; the maintenance of the pipes, valves, radiators, coils and other heating fixtures and facilities therein being assumed by the Lessee under Paragraph Second hereof. The Lessee shall, without charge therefor, furnish to the Lessor a suitable and sufficient room in the ground floor of the Building, at a location to be designated by the Lessee reasonably appropriate for the purpose, properly lighted and ventilated and with access thereto at all reasonable times, for such service connections and meters as may be reasonably required in furnishing the service herein provided for, and shall also provide a direct run of pipes from the point of entrance of the pipes into the Building to the room above mentioned. The Lessor shall not be required to furnish more than one heating connection to the Building for each heating medium furnished. The meter or meters to be provided by the Lessor shall be only such as may be required by the Lessor to measure the heating medium furnished to the Building; any and all meters desired by the Lessee to measure the heating medium used by the Lessee's tenants shall be provided by the Lessee.

The Lessee shall make, at its own expense, all necessary provision for the disposal of condensation from its heating system and devices requiring the use of steam in a manner approved by the Lessor, or the Lessee may return to the

Lessor such condensation under such conditions as may from time to time be agreed upon between the Lessor and the Lessee.

Provided, however, that the Lessee shall, on or before December 31, 1959, discontinue the receiving of steam required in the demised premises, and in such event the Lessee shall, at its sole cost and expense, arrange within such period to obtain steam from the public utility company furnishing such service in the Borough of Manhattan, City of New York, upon payment by the Lessee of the lawful charges therefor, or from some source other than as in this Paragraph provided, as the Lessee shall then determine,

48

and the Lessor shall thereupon be no longer required to furnish or cause to be furnished any steam for the demised premises, but the Lessor shall in such case, upon request of the Lessee, permit the company proposing to furnish such service to the Lessee to make connections with the service facilities of the Building at such locations and under such regulations as may be approved by the Lessor, which approval the Lessor shall not unreasonably withhold.

NINTH: That the Lessor, its officers, agents and servants, shall have the right at all reasonable hours and upon reasonable notice to enter upon the demised premises and every part thereof for the purpose of inspecting and examining the same, and shall also have the right, but at its own cost and expense and only to the extent that the same shall not injuriously affect the Building or the use and enjoyment of the demised premises, by the Lessee, to make such changes as may from time to time or at any time or times seem advisable to the Lessor, its successors and assigns, in the supporting structures of the Building below the planes referred to in sub-divisions (a) to (f), both inclusive above, and in the location of said supporting structures to accommodate the changes desired by the Lessor below said planes, and during the work of making said changes the Lessor shall have the right and is hereby authorized to enter at reasonable hours and upon reasonable notice upon the demised premises above said planes and to place therein such temporary shoring and blocking as may be reasonably required in making said changes, and also to remove all live loads from the particular supports affected by said changes, causing as little inconvenience as possible to the occupants, repairing all injuries done to the demised premises in any such work, in accordance with the rules and regulations of the Municipal department of the City of New York having jurisdiction and reimbursing the Lessee for all actual loss to itself or its tenants (including loss of tenants) of the portions of the demised premises affected during the progress thereof by such work.

49

TENTH: That in case during the term of this lease default be made in the payment of (i) the Ground Rental or any part thereof when due, or (ii) the additional rental on account of taxes when due as herein provided, and such default or defaults in the payment of Ground Rental or such additional rental shall continue for thirty (30) days after notice of such default specifying the same shall have been given by the Lessor to the Lessee, then the Lessor, its successors or assigns, shall have the right, and is hereby authorized, unless such default or defaults shall have been remedied, to enter upon and take possession of the demised premises or any part thereof by summary proceedings or otherwise, as to the Lessor shall seem advisable without being liable in damages therefor and take and have again the demised premises and every part thereof, free, clear and discharged of this lease, and of all the rights of the Lessee hereunder; or the Lessor may, at its option, take such other action or proceeding in the premises as to it shall seem advisable. Interest at the rate of six per centum (6%) per annum shall accrue upon any Ground Rental or additional rentals payable hereunder during the period that payment thereof by the Lessee may be delayed.

That in case during the term of this lease the demised premises shall be abandoned by the Lessee, or default shall be made in the payment of (i) the Ground Rental or any part thereof when due, or (ii) the additional rental on account of taxes when due as herein provided, or (iii) any of the other additional rentals due as herein provided, and such default or defaults shall continue for sixty (60) days after notice of such default specifying the same shall have been given by the Lessor to the Lessee, or the Lessee shall fail after ninety (90) days' written notice from the Lessor to proceed with reasonable diligence to the performance or observance of any of the other covenants and agreements herein contained to be observed and performed by the Lessee, or in case the Lessee shall be declared bankrupt or insolvent according to law, or an application

50

for the reorganization of the Lessee under the Bankruptcy Act shall be filed by or against the Lessee and shall not be dismissed by the Court within ninety (90) days of such filing, or in case this lease shall be assigned, except as hereinbefore in Paragraph Third hereof expressly permitted, or shall by operation of law devolve upon or pass to any corporation, person or persons other than the Lessee, except as hereinbefore in Paragraph Third hereof expressly permitted, or in case the Lessee shall after ninety (90) days' written notice from the Lessor, use or continue to use the demised premises for any purposes other than as herein authorized, or in case the Lessee shall for the period of ninety (90) days after notice from the Lessor fail to secure the satisfaction or discharge of any mechanics' liens or any conditional sales or chattel mortgages on any materials, fixtures or articles used in the construction of or appurtenant to the Building (nothing herein, however, shall require the Lessee to secure the satisfaction or discharge of any conditional

sales or chattel mortgages on any materials, fixtures or articles purchased or acquired in connection with the power plant or the air conditioning system as to which permission for financing in such manner is granted by the Lessor in Paragraph Sixth hereof), the Lessor may in any such event terminate and end this lease and the term hereof by giving to the Lessee notice in writing to the effect that this lease and the term hereof will terminate and end on a day to be named in said notice, which day shall be at least thirty (30) days subsequent to the day of the service of said notice, and in the event of the service of said notice, this lease and the term hereof shall terminate and end upon the day named therein. If upon the termination of this lease as aforesaid, the Lessee or such corporation, person or persons as shall then be in occupancy of the demised premises shall fail immediately to surrender possession of the demised premises to the Lessor, the Lessor may remove the Lessee, its successors, assigns, subtenants and

51

under tenants, if there be such, therefrom, by summary proceedings for a holding over and continuance in possession of the demised premises after the expiration of the term of this lease, or may otherwise remove the Lessee and such other parties, if any, therefrom, as to the Lessor may seem advisable.

The Lessor agrees that simultaneously with the giving of any notice to the Lessee of the character referred to in the preceding paragraphs of this Paragraph Tenth it will give a duplicate copy thereof to the holder of any mortgage and to the Trustee of any deed of trust which may be a lien upon this lease and the leasehold estate hereby created, and the holder of any such mortgage or the Trustee under any such deed of trust shall have the right (but shall not be obligated so to do), within the time and in the manner in said preceding paragraphs of this Paragraph Tenth provided, to cure any default of the Lessee with the same effect as if such default had been cured by the Lessee.

Before giving notice of termination of this lease on account of the Lessee having been declared bankrupt or insolvent according to law, or by reason of an application for reorganization of the Lessee under the Bankruptcy Act having been filed by or against the Lessee and not dismissed by the Court within ninety (90) days, the Lessor will give the holder of any such mortgage and the Trustee under any such deed of trust notice of the fact that the Lessee has been declared bankrupt or insolvent according to law, or that such an application for reorganization has been filed by or against the Lessee and not dismissed by the Court, as the case may be, and notice of termination of this lease for such cause shall not be given unless the holder of such mortgage or the Trustee under such deed of trust or the holder or holders of bonds or other evidence of indebtedness issued and outstanding thereunder shall fail to deliver to the Lessor, within thirty (30) days after notice of such fact shall have been given, a proper instrument

52

indemnifying the Lessor against rental loss during such period as the leasehold may be in the custody of the Court during the pendency of legal proceedings on account of such bankruptcy, insolvency or application for reorganization.

In case of the termination of this lease as in this Paragraph Tenth provided whereby all rights of the Lessee hereunder shall be terminated and at an end, if at the time of such termination there be a mortgage or deed of trust upon the leasehold rights of the Lessee under this lease, the Lessor agrees upon request of the holder of said mortgage or of the Trustee under said deed of trust, made within sixty (60) days after such termination of this lease, to execute and deliver to the holder of said mortgage or to said Trustee, or, at the option of said holder or said Trustee, to a designee or nominee of, or a corporation created by or for the benefit of, the holder of said mortgage or the Trustee under said deed of trust or the holder or holders of bonds or other evidence of indebtedness issued and outstanding under said deed of trust, a new lease of the demised premises for a term and upon the terms and conditions hereinafter set forth, upon the assumption by the holder of said mortgage or said Trustee, or by such designee, nominee or corporation, as the case may be, of all the obligations of the Lessee under this lease, including any obligation of the Lessee with respect to which there shall have been a default existing or continuing hereunder at the time of such termination, and upon condition that the holder of said mortgage or said Trustee under said deed of trust or the holder or holders of said bonds or other evidence of indebtedness shall pay or cause to be paid to the Lessor all sums then due from the Lessee to the Lessor under this lease if the same had not been terminated as aforesaid. Said new lease shall be for the remainder of the term of this lease commencing on the date of such termination of this lease, at the rentals and additional rentals and upon the same covenants, conditions,

53

limitations and agreements as are herein contained, including the covenants in respect of renewal. If the lessee of said new lease shall be a designee or nominee of, or a corporation created by or for the benefit of, the holder of any such mortgage or the Trustee under any such deed of trust or the holder or holders of bonds or other evidence of indebtedness issued and outstanding thereunder, the Lessor agrees that the holder of said mortgage or said Trustee under said deed of trust or the holder or holders of any of said bonds or other evidence of indebtedness, as the case may be, shall in no event be liable for the obligations undertaken by the lessee under said new lease, and the Lessor agrees to look solely to said lessee under said new lease (who shall assume and agree to perform all of the covenants, conditions and agreements thereof on the part of the lessee therein to be performed) and not to the holder of said

mortgage or to the Trustee under said deed of trust or to the holder or holders of said bonds or other evidence of indebtedness, as the case may be, in respect of any liability of any description assumed or agreed to by said lessee under said new lease.

If the Lessee shall sublet the whole or substantially all of the demised premises, the provisions of the three preceding paragraphs of this Paragraph Tenth applicable to the holder of any such mortgage or the Trustee under any such deed of trust shall be applicable to the sublessee, to a leasehold mortgagee (including in said term a trustee of a deed of trust) of the sublease, to any lessee (herein called a subsublessee) to which said sublessee shall further sublet the whole or substantially all of the demised premises and to a leasehold mortgagee of such subsublease; provided, however, that the provisions of the immediately preceding paragraph of this Paragraph Tenth shall not be applicable to a sublessee if the termination of this lease referred to in said immediately preceding paragraph shall have resulted directly or indirectly from a default by such sublessee under its sublease, nor shall the provisions of

54

said paragraph be applicable to a subsublessee if such termination shall have resulted directly or indirectly from a default by such subsublessee under its subsublease. In the event that any sublessee or any leasehold mortgagee of any sublease or any subsublessee or any leasehold mortgagee of any subsublease shall be entitled to exercise the rights of the holder of a mortgage or the Trustee of a deed of trust referred to in said immediately preceding paragraph, and if within the sixty (60) day period specified in said paragraph more than one request for a new lease shall have been received by the Lessor, priority shall be given, regardless of the order in which such requests shall be made or received, to said holder or Trustee if it shall make such request, then to any sublessee making such request, then to any leasehold mortgagee of a sublease making such request, then to any subsublessee making such request and then to any leasehold mortgagee of a subsublease making such request.

ELEVENTH: That the Lessee shall peaceably give up and surrender possession of the demised premises and every part thereof unto the Lessor at the expiration or sooner termination of the term of this lease or renewal term of this lease, if there be renewal, together with the Building and all the water, gas, electric lighting, elevator, power, heating, sewer, drainage, plumbing and other fixtures and facilities in the Building or forming part thereof of the character classed as real estate and as part of the building, in as good condition and repair as reasonable use and wear thereof will permit, damage by the elements excepted.

TWELTH: That the Lessee (provided that there then exists no uncured default on the Lessee's part to be performed under this lease and with respect to which default a notice has been served by the Lessor upon the Lessee in accordance with the provisions of this lease relating thereto), shall have the right, not earlier than two years

55

and not later than six months prior to the expiration date of the term of this lease, to serve upon the Lessor a notice in writing to the effect that the Lessee elects that this lease shall be renewed for a further term of eleven years and seven months from the expiration date of the term of this lease. In the event that (no such uncured default existing) the Lessee shall elect to renew this lease and shall serve notice of such election as aforesaid, then upon the expiration of the term hereof, a first renewal lease shall be executed by and between the parties hereto, whereby the Lessor shall let unto the Lessee, and the Lessee shall take and hire from the Lessor, the parcel of land above described, with the exceptions and reservations above set forth, for the term of eleven years and seven months from the expiration date of the term hereof, subject to the rights of the Lessor and the Railroad Companies, their and each of their successors and assigns, in and to the use and possession of the portions of the parcel of land above described excepted and reserved as aforesaid, all as herein provided, and at the annual Ground Rental of Three Hundred Ninety Thousand Dollars (\$390,000.00), and at the other additional rentals herein contained and upon the other terms, covenants, conditions, limitations and agreements herein contained (including the next succeeding paragraph of this Paragraph Twelfth), except that said renewal lease shall provide that upon the expiration of said first renewal term the Lessee shall have the right to require two further renewals as provided in Paragraph Thirteenth hereof.

The Lessor agrees that if the Lessee, for any reason shall fail within the time limited in this lease, or shall not be entitled, to exercise its right to renew this lease for any renewal term as herein provided, the Lessor shall notify the holder of any mortgage or the Trustee of any deed of trust which may be a lien on this lease and the leasehold estate hereby created that the Lessee has failed as aforesaid,

56

or is not entitled, to exercise its right to renew this lease, as the case may be, and the holder of said mortgage or the Trustee under said deed of trust shall have the right, by a date not later than thirty (30) days after the giving of such notice, to elect that this lease be renewed for the relevant renewal term upon the same terms and conditions and with the same effect as though such right had been exercised by the Lessee as in this lease set forth, except that the Lessee shall not be the lessee in said renewal lease and shall have no obligations thereunder. The lessee in said renewal lease may be a designee or nominee of, or a corporation created by or for the benefit of, the holder of any

such mortgage, or the Trustee under any such deed of trust or the holder or holders of bonds or other evidence of indebtedness issued and outstanding thereunder. The lessee in said renewal lease shall assume all the obligations of the Lessee under this lease, and if at the date of the commencement of the term of said renewal lease there is existing or continuing any default upon the part of the Lessee hereunder in the performance of any of the covenants, conditions, limitations or agreements of this lease, said renewal lease shall also contain an express covenant and agreement upon the part of the lessee therein to proceed promptly and with all due diligence to cure any such default, and failure of the lessee so to cure any such default within the time and under the conditions as provided in said renewal lease shall be deemed a cause of default thereunder; provided, however, that if any such default shall consist of the failure to pay a sum of money only, then it shall be a condition to the commencement of the term of said renewal lease that said sum be paid with interest as in this lease provided on or prior to the date of the commencement of the term of said renewal lease. If the lessee of the renewal lease shall be a designee or nominee of, or a corporation created by or for the benefit of, the holder of any such mortgage or the Trustee under any such

57

deed of trust or the holder or holders of bonds or other evidence of indebtedness issued and outstanding thereunder, the Lessor agrees that said holder of said mortgage or said Trustee under said deed of trust or the holder or holders of any of said bonds or other evidence of indebtedness, as the case may be, shall in no event be liable for any obligations undertaken or assumed by the lessee under said renewal lease, and the Lessor agrees to look solely to said lessee under said renewal lease and not to the holder of said mortgage or to the Trustee under said deed of trust, or to the holder or holders of said bonds or other evidence of indebtedness, as the case may be, in respect of any liability of any description assumed or agreed to by said lessee under said renewal lease.

If the Lessee shall sublet the whole or substantially all of the demised premises, the provisions of the immediately preceding paragraph of this Paragraph Twelfth applicable to the holder of any such mortgage or the Trustee under any such deed of trust shall (to the extent permitted by such sublease) be applicable to the sublessee, to a leasehold mortgagee (including in said term a Trustee of a deed of trust) of the sublease, to any lessee (herein called a subsublessee) to which said sublessee shall further sublet the whole or substantially all of the demised premises and to a leasehold mortgagee of such subsublease. In the event that any sublessee or any leasehold mortgagee of any sublease or any subsublessee or any leasehold mortgagee of any subsublease shall be entitled to exercise the rights of the holder of a mortgage or the Trustee of a deed of trust referred to in said immediately preceding paragraph, and if by the date fixed by the thirty (30) day notice specified in said paragraph more than one election to renew shall have been received by the Lessor, priority shall be given, regardless of the order in which such elections shall have been made or received, to said holder or Trustee if it shall make such election, then to any sublessee

58

making such election, then to any leasehold mortgagee of a sublease making such election, then to any subsublessee making any such election and then to any leasehold mortgagee of a subsublease making such election.

Wherever in this Paragraph Twelfth or in Paragraph Thirteenth or Paragraph Fourteenth hereof it shall be provided that the minimum annual Ground Rental for any renewal term shall be \$390,000 or, as the case may be, the annual Ground Rental payable during the preceding term, the minimum annual Ground Rental so specified shall be adjusted to give effect to any reduction in the Ground Rental during the preceding term resulting from the taking of any portion of the demised premises by eminent domain.

THIRTEENTH: (1) That if upon the expiration of the term of this lease, this lease shall be renewed for a first renewal term as provided in Paragraph Twelfth hereof, then said renewal lease to be executed in that event shall provide that upon the expiration of the term of said first renewal lease the Lessee (provided that there then exists no uncured default on the Lessee's part to be performed thereunder and with respect to which default a notice has been served by the Lessor upon the Lessee in accordance with the provisions of said renewal lease relating thereto), shall have the right, not earlier than two years and not later than six months prior to the expiration date of said first renewal term, to serve upon the Lessor a notice in writing to the effect that the Lessee elects that this lease shall again be renewed for the further term of twenty-one years from the expiration date of the first renewal term of this lease. In the event that (no such uncured default existing) the Lessee shall elect again to renew this lease and shall serve notice of such election as aforesaid, then upon the expiration of the first renewal term, a second renewal lease shall be executed by and between the parties hereto, whereby the Lessor

59

shall let unto the Lessee, and the Lessee shall take and hire from the Lessor, the parcel of land above described, with the exceptions and reservations above set forth, for the term of twenty-one years from the expiration date of the first renewal term, subject to the rights of the Lessor and the Railroad Companies, their and each of their successors and assigns, in and to the use and possession of the portions of the parcel of land above described excepted and reserved as aforesaid, all as herein provided, and at the annual Ground Rental of Three Hundred Ninety Thousand Dollars (\$390,000.00), or such larger amount as

shall be fixed as hereinafter provided in Paragraph Fourteenth hereof, and at the other additional rentals herein contained and upon the other terms, covenants, conditions, limitations and agreements herein contained (including the last paragraph of Paragraph Twelfth hereof), except that said renewal lease shall provide that upon the expiration of said second renewal term the Lessee shall have the right to require one further renewal as provided in sub-division (2) of this Paragraph Thirteenth.

(2) That if upon the expiration of the first renewal term of this lease, this lease shall be renewed for a second renewal term as provided in sub-division (1) of this Paragraph Thirteenth, then said renewal lease to be executed in that event shall provide that upon the expiration of the term of said second renewal lease the Lessee (provided that there exists no uncured default on the Lessee's part to be performed thereunder and with respect to which default a notice has been served by the Lessor upon the Lessee in accordance with the provisions of said renewal lease relating thereto) shall have the right, not earlier than two years and not later than six months prior to the expiration date of said second renewal term, to serve upon the Lessor a notice in writing to the effect that the Lessee elects that this lease shall again be renewed for the further term of twenty-one

60

years from the expiration date of the second renewal term of this lease. In the event that (no such uncured default existing) the Lessee shall elect again to renew this lease and shall serve notice of such election as aforesaid, then upon the expiration of the second renewal term, a third renewal lease shall be executed by and between the parties hereto, whereby the Lessor shall let unto the Lessee, and the Lessee shall take and hire from the Lessor, the parcel of land above described, with the exceptions and reservations above set forth, for the term of twenty-one years from the expiration date of the second renewal term, subject to the rights of the Lessor and the Railroad Companies, their and each of their successors and assigns, in and to the use and possession of the portions of the parcel of land above described excepted and reserved as aforesaid, all as herein provided, and at the annual Ground Rental equal to the annual Ground Rental payable during the second renewal term, or such larger amount as shall be fixed as hereinafter provided in Paragraph Fourteenth hereof and at the other additional rentals herein contained and upon the other terms, covenants, conditions, limitations and agreements herein contained (including the last paragraph of Paragraph Twelfth hereof), except that said renewal lease shall provide that upon the expiration of said third renewal term the Lessee shall have no right to require a further renewal lease.

FOURTEENTH: That in case of the renewal of this lease for a second renewal term, as provided in Paragraph Thirteenth (1) hereof, if the Lessor shall be of the opinion that the annual Ground Rental of Three Hundred Ninety Thousand Dollars (\$390,000.00) is less than the proper annual Ground Rental to be paid by the Lessee during the second renewal term, or in case of the renewal of this lease for a third renewal term, as provided in Paragraph Thirteenth (2) hereof, if the Lessor shall be of the opinion that the annual Ground Rental payable during the

61

second renewal term is less than the proper annual Ground Rental to be paid by the Lessee during the third renewal term, then the Lessor shall, in either such case, at least four months prior to the expiration date of the renewal term then expiring, notify the Lessee in writing of the annual sum which in the opinion of the Lessor would be the proper annual Ground Rental during the renewal term about to be entered upon. If the Lessee shall not, within thirty days after the service of such notice, advise the Lessor in writing that the annual Ground Rental so named by the Lessor is unsatisfactory, then the annual Ground Rental so named by the Lessor shall be the annual Ground Rental payable during the renewal term about to be entered upon. If the Lessee shall, within the thirty days aforesaid, notify the Lessor in writing that the annual Ground Rental so named by the Lessor is unsatisfactory, then the annual Ground Rental payable during the renewal term about to be entered upon shall be determined as hereinafter in this Paragraph provided.

If the Lessee shall, within the thirty days aforesaid, notify the Lessor in writing that the annual Ground Rental named by the Lessor is unsatisfactory, then the full and fair value of the parcel of land above described considered as unimproved at the commencement of the renewal term about to be entered upon shall be determined by three arbitrators, one appointed by the Lessor, one appointed by the Lessee and the third by the arbitrators so appointed, or in case of the failure of the arbitrators so appointed to agree upon such third arbitrator within twenty days after their appointment, then such third arbitrator shall be appointed by the person who is then Presiding Justice of the Appellate Division of the Supreme Court of the State of New York for the First Department, or, in case said Appellate Division shall cease to be, by the person who is then the Senior Justice in point of service of the body exercising the functions now exercised by such Appellate Division, upon the application of either of the parties

62

hereto upon reasonable notice to the other party; in case the person who shall be such Presiding Justice (or Senior Justice) shall decline to make such appointment, then such third arbitrator shall be appointed by such one of the other Justices of the Appellate Division (or body exercising the functions thereof) as shall consent to make such appointment, application being made to said Justices as aforesaid in the order of seniority of service in said Court.

In case either of the parties hereto shall fail to appoint an arbitrator as aforesaid for the period of twenty days after written notice from the other party to make such appointment, then the arbitrator appointed by the party not in default shall appoint the second arbitrator, and the two so appointed shall select the third arbitrator. The arbitrators on their appointment, after having been duly sworn to perform their duties with impartiality and fidelity, shall proceed with all reasonable dispatch to appraise the full and fair value of the parcel of land above described considered as unimproved (in making such appraisal, however, the fact that the excepted portions of said parcel of land are used or are susceptible of use for railroad purposes shall not be deemed to contribute to the value of said parcel of land considered as unimproved), and the amount fixed by said arbitrators or by a majority of them as the value of said parcel of land considered as unimproved as of the time of deciding such arbitration as aforesaid, or the date of the beginning of the renewal term about to be entered upon, whichever occurs first, shall be binding and conclusive upon the parties hereto as the true value of said parcel of land considered as unimproved, for the purpose of determining the annual Ground Rental payable hereunder during the renewal term in question. The Lessor and the Lessee shall each pay the expense of the arbitrator appointed by or for such party, and the other necessary expenses and costs of any arbitration hereunder shall be borne equally by the parties hereto.

In case five per centum of the value of said parcel of land above described, as such value is determined by the arbitrators

63

in respect of the second renewal term, shall be in excess of the sum of Three Hundred Ninety Thousand Dollars (\$390,000.00), the annual Ground Rental payable hereunder during the second renewal term shall be such annual sum as will equal five per centum of the value of said parcel of land as fixed by said arbitrators as aforesaid, and shall be payable in equal monthly installments in advance, and in case five per centum of the value of said parcel of land as fixed by said arbitrators as aforesaid shall be equal to or less than the sum of Three Hundred Ninety Thousand Dollars (\$390,000.00), the annual Ground Rental payable hereunder during the second renewal term shall be the annual sum of Three Hundred Ninety Thousand Dollars (\$390,000.00) and shall be payable as above provided.

In case five per centum of the value of said parcel of land above described, as such value is determined by the arbitrators in respect of the third renewal term, shall be in excess of the annual Ground Rental payable during the second renewal term, the annual Ground Rental payable hereunder during the third renewal term shall be such annual sum as will equal five per centum of the value of said parcel of land as fixed by said arbitrators as aforesaid, and shall be payable in equal monthly installments in advance, and in case five per centum of the value of said parcel of land as fixed by said arbitrators as aforesaid shall be equal to or less than the annual Ground Rental payable during the second renewal term, the annual Ground Rental payable hereunder during the third renewal term shall be such annual sum as will equal the annual Ground Rental payable during the second renewal term and shall be payable as above provided.

FIFTEENTH: That the Lessee on paying the Ground Rental and the additional rentals and observing and performing the covenants, conditions, limitations and agreements herein contained on the part of the Lessee to be observed and performed, all as herein provided, shall and

64

may peaceably and quietly have, hold and enjoy the demised premises for the term aforesaid, subject as herein before provided; and the Lessor covenants and agrees to comply with all the obligations upon it under its grant from The New York Central Railroad Company.

SIXTEENTH: That any notice required to be given to the Lessee under the terms of this lease may be given by delivering such notice to an officer of the Lessee or by the mailing of such notice by registered mail to the Lessee, addressed to the Lessee at the last address of the Lessee furnished by it to the Lessor for that purpose, or in case of the failure of the Lessee to furnish such address, then addressed to the Lessee at 420 Lexington Avenue, New York City, and in all cases where a copy of such notice is required to be given to the holder of any mortgage and the Trustee of any deed of trust, if any there be, such notice shall be given to such holder or Trustee and to any sublessee and any subsublessee and to any leasehold mortgagee of any sublease or subsublease, if any there be, by registered mail, addressed to each of said parties at the last address furnished by each of them, to the Lessor for such purpose.

That any notice required to be given to the Lessor under the terms of this lease may be given either by delivering such notice to the president, a vice president, the secretary or the treasurer of the Lessor at 466 Lexington Avenue, Borough of Manhattan, City of New York, if any such officer of the Lessor can be readily found at such address, or if such officer cannot be readily found, by the mailing of such notice by registered mail to the Lessor, addressed to the Lessor at 466 Lexington Avenue, New York City, and notice given as aforesaid to the Lessor shall be sufficient service of any such notice hereunder.

SEVENTEENTH: That the lease between the Lessor and Eastern Offices, Inc., dated July 30, 1925, as heretofore modified and extended as above recited, shall be and

65

hereby is declared to be further modified and extended as provided in this instrument, so that from and after the date hereof this instrument shall be deemed to express all the terms, covenants, conditions, limitations and agreements in accordance with which the demised premises shall be held by the Lessee under lease from the Lessor.

EIGHTEENTH: This agreement shall inure to the benefit of and be binding upon the successors and assigns of the respective parties hereto; provided, however, that no assignment hereof shall be made by the Lessee except upon the conditions hereinabove provided.

IN WITNESS WHEREOF, the parties hereto have caused the execution of this agreement as of the day and year first above written.

NEW YORK STATE REALTY AND TERMINAL COMPANY

By W.R. GRANT
VICE PRESIDENT

Attest:

F. A. GROGAN
ASSISTANT SECRETARY

WEBB & KNAPP, INC.

By ARTHUR J. PHELAN
SENIOR VICE PRESIDENT

Attest:

HARRY V. LETT
SECRETARY

GRAYSLEE CORPORATION

By ARTHUR J. PHELAN
SENIOR VICE PRESIDENT

Attest:

HARRY V. LETT
SECRETARY

66

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

On this 30th day of December, 1957, before me personally came W. R. GRANT, to me known and known to me to be Vice President of the NEW YORK STATE REALTY AND TERMINAL COMPANY, who being by me duly sworn deposes and says: that he resides at Orchard Drive, Greenwich, Conn.; that he is Vice President of the NEW YORK STATE REALTY AND TERMINAL COMPANY, one of the corporations described in and which executed the foregoing instrument, and knows the corporate seal thereof; that the seal affixed to the foregoing instrument is the corporate seal of the NEW YORK STATE REALTY AND TERMINAL COMPANY, and was affixed thereto by authority of the Board of Directors of said corporation, and that he signed his name thereto as Vice President by like authority.

GUNTHER C. HOLPP

[SEAL]

67

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

On this 30th day of December, 1957, before me personally came ARTHUR J. PHELAN, to me known and known to me to be Senior Vice President of WEBB & KNAPP, INC., who being by me duly sworn deposes and says: that he resides at 88 Summit Road, Port Washington, N. Y.; that he is Senior Vice President of WEBB & KNAPP, INC., one of the corporations described in and which executed the foregoing instrument, and knows the corporate seal thereof; that the seal affixed to the foregoing instrument is the corporate seal of WEBB & KNAPP, INC., and was affixed thereto by authority of the Board of Directors of said corporation, and that he signed his name thereto as Senior Vice President by like authority.

SOL S. SINGER

[SEAL]

68

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

On this 30th day of December, 1957, before me personally came ARTHUR J. PHELAN, to me known and known to me to be Senior Vice President of GRAYSLEE

CORPORATION, who being by me duly sworn deposes and says: that he resides at 88 Summit Road, Port Washington, N. Y.; that he is Senior Vice President of GRAYSLER CORPORATION, one of the corporations described in and which executed the foregoing instrument, and knows the corporate seal thereof; that the seal affixed to the foregoing instrument is the corporate seal of GRAYSLER CORPORATION, and was affixed thereto by authority of the Board of Directors of said corporation, and that he signed his name thereto as Senior Vice President by like authority.

SOL S. SINGER

[SEAL]

69

CONSENT.

The New York Central Railroad Company, a corporation of the State of New York, having its principal office at 575 Broadway, in the City of Albany, State of New York, does hereby consent to the execution of the foregoing modified agreement of lease and to the terms thereof which modified agreement of lease is hereby identified as the instrument referred to as the Ground Lease in the Grant of Term, dated December 30, 1957, made by The New York Central Railroad Company to New York State Realty and Terminal Company.

Dated, New York, December 30, 1957.

THE NEW YORK CENTRAL RAILROAD COMPANY

BY J. F. NASH
VICE PRESIDENT

Attest:

F. A. GROGAN
ASSISTANT SECRETARY

70

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

On this 30th day of December, 1957, before me personally came J. F. Nash, to me known and known to me to be Vice President of THE NEW YORK CENTRAL RAILROAD COMPANY, who being by me duly sworn deposes and says: that he resides at 49 Moore Road, Bronxville, N. Y.; that he is Vice President of THE NEW YORK CENTRAL COMPANY, the corporation described in and which executed the foregoing instrument, and knows the corporate seal thereof; that the seal affixed to the foregoing instrument is the corporate seal of THE NEW YORK CENTRAL RAILROAD COMPANY, and was affixed thereto by authority of the Board of Directors of said corporation, and that he signed his name thereto as Vice President by like authority.

GUNTHER C. HOLPP

[SEAL]

[GRAPHIC]

[GRAPHIC]

=====

SUBLEASE

BETWEEN

WEBB & KNAPP, INC. AND GRAYSLER CORPORATION

AS LANDLORD

AND

MARY F. FINNEGAN

AS TENANT

Dated, December 30, 1957.

Affecting Premises on the Westerly side of Lexington Avenue,
253 feet 4-inches Northerly of 42nd Street

=====

Recorded in the Office of the Register of the City of New York in New York County on December 31, 1957 in Liber 5024 of Conveyances at Page 430.

The Landlord's interest in the within Sublease was acquired by Metropolitan Life Insurance Company by Assignment from Webb & Knapp, Inc. and Graysler Corporation dated December 30, 1957 and recorded in said Register's Office on December 31, 1957 in Liber 5024 of Conveyances at Page 613.

The Tenant's interest in the within Sublease was assigned by Mary F. Finnegan to Lawrence A. Wien by Assignment dated December 30, 1957 and recorded in said Register's Office on December 31, 1957 in Liber 5024 of Conveyances at Page 621.

TABLE OF CONTENTS

PAGE ARTICLE 1. Definitions, Demise and Initial Term 1

ARTICLE 2. Rent 6

ARTICLE 3. Payment of Taxes, Assessments, etc. 8

ARTICLE 4. Surrender 12

ARTICLE 5. Insurance 14

ARTICLE 6. Landlord's Right TO Perform Tenant's Covenants 19

ARTICLE 7. Repairs and Maintenance of the Property, Steam and Electricity 20

ARTICLE 8. Compliance with Laws, Ordinances, etc. 23

ARTICLE 9. Changes and Alterations 25

ARTICLE 10. Discharge of Liens 28

ARTICLE 11. Use of Property 29

ii TABLE OF CONTENTS

PAGE ARTICLE 12. Ground Lease 30

ARTICLE 13. Entry on Property by Landlord, etc. 32

ARTICLE 14. Indemnification of Landlord 33

ARTICLE 15. Damage or Destruction 34

ARTICLE 16. Condemnation 38

ARTICLE 17. Vault Space 46

ARTICLE 18. Mortgages, Assignments, Subleases and Transfers of Tenant's Interest 47

ARTICLE 19. Conditional Limitations--Default Provisions 63

ARTICLE 20. Renewal Privileges 69

ARTICLE 21. Invalidity of Particular Provisions 73

ARTICLE 22. Notices 73

ARTICLE 23. Condition of and Title to Property, Quiet Enjoyment 74

PAGE ARTICLE 24. Excavation and Shoring 75
 ARTICLE 25. Arbitration and Appraisal 76
 26. Miscellaneous
 78 SCHEDULES: A. Description of Grant of Term 82
 B. Description of Ground Lease 83
 C. Schedule for Determination of Amounts Payable to Landlord Under Section 16.03 84

THIS LEASE, dated the 30th day of December, 1957, between WEBB & KNAPP, INC., a corporation duly organized and existing under the laws of the State of Delaware, having an office and place of business at 383 Madison Avenue, New York 17, New York, and GRAYSLER CORPORATION, a corporation duly organized and existing under the laws of the State of New York, having its office and principal place of business at 383 Madison Avenue, New York 17, New York, (hereinafter collectively called the "Landlord") and MARY F. FINNEGAN, residing at 33-15 84th Street, Jackson Heights, New York, (hereinafter called the "Tenant").

W I T N E S S E T H :

ARTICLE 1

DEFINITIONS, DEMISE AND INITIAL TERM

That for purposes of this lease, unless the context otherwise requires:

- (a) the term "Grant of Term" shall mean instrument described in Schedule A annexed hereto;
- (b) the term "Ground Lease" shall mean the instrument described in Schedule B annexed hereto;
- (c) the term "Ground Lessor" shall mean the lessor under the Ground Lease, and the term "Ground Lessee" shall mean the lessee under the Ground Lease;
- (d) the term "Ground Rent" shall mean the rental payable under the Ground Lease and therein defined as the "Ground Rental";
- (e) the term "Building" shall have the meaning ascribed thereto in the Ground Lease;
- (f) the term "Demised Premises" shall mean the premises in the Borough of Manhattan, City and State

2

of New York, demised by the Ground Lease, located generally on the westerly side of Lexington Avenue (beginning at a point 253 feet 4 inches northerly of 42nd Street) and known as the Graybar Building and by the street address 420 Lexington Avenue, together with any easements and other rights demised or otherwise provided for the benefit of the Ground Lessee under the Ground Lease;

- (g) the term "Tenant" shall mean the tenant named herein, and from and after any valid assignment of the whole of tenant's interest in this lease pursuant to the provisions hereof, shall mean only the assignee thereof;
- (h) the term "Landlord" shall mean only the lessee for the time being under the Ground Lease;
- (i) the term "Railroad Company" shall mean the New York Central Railroad Company or its successors or assigns as grantor under the Grant of Term;
- (j) the term "subtenant" shall mean any tenant or licensee of any space in the Demised Premises (other than Tenant or a Total Subtenant); the term "sublease" shall mean any lease (other than this Lease or the Ground Lease or a total sublease) or other agreement for the use and occupancy of any such space; the term "subrent" shall mean any rent or other charge for such use or occupancy under a sublease; the term "existing sublease" shall mean any sublease made before the date of this lease; and the term "future sublease" shall mean any sublease made on or after said date;
- (k) The term "major sublease" shall mean any sublease having a term (including renewal options) of 6 years or more or providing for a fixed subrent at the rate of \$50,000 or more per annum during any year of the term thereof. For purposes of this

3

definition, any two or more subleases with the same person, as subtenant, shall be deemed to be a single sublease providing for a fixed subrent at

the aggregate rate per annum specified in such leases;

(1) the term "total sublease" shall mean a lease made by Tenant of all or substantially all of the Demised Premises and the term "Total Subtenant" shall mean the tenant under such lease;

(m) the term "term of this lease" or words of similar import shall mean the initial term and any renewal term which has become effective;

(n) the term "Leasehold Mortgagee" shall mean the holder of a mortgage on this lease or the trustee under a deed of trust of this lease securing bonds or notes issued by Tenant, and the term "Leasehold Mortgage" shall mean any such mortgage or deed of trust.

That Landlord is the Ground Lessee under the Ground Lease; and

That 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, does hereby demise and lease to Tenant, and Tenant does hereby take and hire from Landlord, the Demised Premises,

SUBJECT, however, to the following:

(1) the Grant of Term;

(2) the Ground Lease;

(3) state of facts shown on the survey made by George C. Hollerith, dated March 4, 1927, and of J. George Hollerith, dated March 28, 1944 (using lines of plot set forth in record description) drawn and redated to June 1, 1950 by Charles J. Dearing and

4

redated by Earl B. Lovell-S. P. Belcher, Inc., as of September 18, 1953, redated November 10, 1955 by Charles J. Dearing and redated by Charles J. Dearing May 24, 1957, and any additional state of facts which an inspection and more recent accurate survey would show;

(4) easements granted to the City of New York by instrument recorded in the Office of the Register of the County of New York in Liber 193, Section 5 of Conveyances, page 38, as amended by instrument recorded in said Register's Office in Liber 191, Section 5 of Conveyances, page 478; and restrictive agreement recorded in said Register's Office in Liber 3850 of Conveyances, page 488, as modified by agreements set forth in instruments recorded, respectively, in said Register's Office in Liber 3932 of Conveyances, page 131, and Liber 3983 of Conveyances, page 380;

(5) Impositions (as defined in Article 3 hereof), accrued or unaccrued, fixed or not fixed;

(6) revocable nature of any rights, easements, licenses or privileges to use vaults, areas, tunnels, ramps or structures under streets, avenues or sidewalks on which the Demised Premises abut;

(7) consents or grants prior to the date of this lease for the erection of any structures on, under or above said streets or avenues and grants, licenses or consents, if any, with respect to public utility lines and equipment;

(8) right to maintain elevators from the Newsreel Theatre beneath the Demised Premises, as provided in lease recorded in Liber 3944 of Conveyances, page 417, as modified by instrument recorded in Liber 4407 of Conveyances, page 477;

(9) existing subleases and the rights of the subtenants thereunder, it being intended that the leasehold estate of Tenant created by this lease shall be subject and subordinate to the leasehold estates of said subtenants created by said subleases, notwithstanding

5

the provisions of any clause in any such sublease purporting to subordinate such sublease and the rights of the subtenant thereunder to ground or underlying leases, and Landlord hereby assigns to Tenant for the term of this lease all its right, title and interest in and to such existing subleases and (subject to any existing assignments thereof) the rents and profits due or to become due to Landlord under the provisions thereof.

(10) building restrictions and regulations in resolution or ordinance adopted by Board of Estimate and Apportionment of the City of New York, on July 25, 1916, and the amendments and additions thereto, now in force;

(11) present and future zoning laws, ordinances, resolutions and regulations of the City of New York and all present and future ordinances, laws, regulations and orders of all boards, bureaus, commissions and bodies of any municipal, county, state or federal sovereigns now or hereafter having or acquiring jurisdiction of the Demised Premises and the use and improvement thereof;

(12) revocable nature of the right, if any, to maintain marquees or signs, beyond the building lines;

(13) the effect of all present and future municipal, state and federal laws, orders and regulations relating to subtenants, their rights and rentals to be charged for the use of the Demised Premises or any portion or portions thereof;

(14) violations of law, ordinances, orders or requirements that might be disclosed by an examination and inspection or search of the Demised Premises by any federal, state or municipal departments or authority having jurisdiction, as the same may exist on the date of the commencement of the term of this lease;

6

(15) the condition and state of repair of the Demised Premises as the same may be on the date of the commencement of the term of this lease;

(16) any defects of title or encumbrances of record or encroachments, existing at the date of the commencement of the term of this lease;

TO HAVE AND TO HOLD the same, subject as aforesaid, unto Tenant, and, subject to the provisions hereof, its successors and assigns, for an initial term of eighteen years, five months and two days commencing on December 30, 1957, and expiring on May 30, 1976, unless this lease shall sooner terminate as hereinafter provided.

This lease is made upon the following covenants, agreements, terms, provisions, conditions and limitations, all of which Tenant covenants and agrees to perform and observe:

ARTICLE 2

RENT

SECTION 2.01. Tenant covenants and agrees to pay to Landlord, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, at Landlord's address specified in or furnished pursuant to Section 22.01 hereof, during the aforesaid initial term, a net rental of One Million Six Hundred Twenty Thousand Dollars (\$1,620,000) per annum.

Such net annual rental (hereinafter called the "net rent") shall be in addition to all other payments to be made by the Tenant as hereinafter provided and shall be paid in equal monthly installments of One Hundred Thirty Five Thousand Dollars (\$135,000), each in advance on the first day of each calendar month during the term of this lease; provided, however, that the net rent payable in respect of the period from the date of commencement of

7

said initial term to January 1, 1958, shall be Three Thousand Dollars (\$3,000) per diem and shall be paid on said commencement date.

Tenant covenants and agrees to pay to Landlord, in like coin or currency, at said address and at least 5 days before the same shall become due under the Ground Lease, a sum or sums equal to each installment of the Ground Rent; provided, however, that Landlord may, by written notice, require Tenant to pay the Ground Rent directly to the Ground Lessor on or before the due date thereof, in which event Tenant shall furnish to Landlord receipts for such payments.

SECTION 2.02. It is the purpose and intent of Landlord and Tenant that the net rent shall be net to Landlord, so that this lease shall yield, net, to Landlord, the net rent specified in Section 2.01 hereof in each year during the initial term of this lease and the net rent specified in Article 20 hereof in each year during each renewal term hereof, if renewed as provided in said Article 20, and that all costs, expenses and charges of every kind and nature relating to the Demised Premises (except the taxes of Landlord referred to in Section 3.02 of Article 3 hereof and any payments on account of interest or principal under any mortgage or deed of trust which shall be a lien on the fee of the premises of which the Demised Premises are a part, or on the estate created by the Grant of Term, or on the leasehold estate created by the Ground Lease) which may arise or become due during or out of the term of this lease shall be paid by Tenant, and that Landlord shall be indemnified and saved harmless by Tenant from and against the same.

SECTION 2.03. The net rent shall be paid to Landlord without notice or demand and without abatement, deduction or set-off, except as otherwise expressly provided in this lease.

8

SECTION 2.04. Tenant will pay, as additional rent, and (except as may be otherwise expressly provided in this lease) without notice, abatement, deduction or set-off, the Ground Rent and all other sums, Impositions (as defined in Article 3 hereof), costs, expenses and other payments which Tenant in any of the provisions of this lease assumes or agrees to pay, and, in the event of any non-payment thereof, Landlord shall have (in addition to all other rights and remedies) all the rights and remedies provided for herein or by law in the case of non-payment of the net rent.

If Tenant shall pay to Landlord the additional rent payable hereunder in respect of Ground Rent or Impositions before Landlord shall be required to pay the same pursuant to the Ground Lease, Landlord agrees to receive and hold the

additional rent so paid in a fiduciary capacity and to apply the same to the payment of such Impositions and Ground Rent pursuant to the Ground Lease.

ARTICLE 3

PAYMENT OF TAXES, ASSESSMENTS, ETC.

SECTION 3.01. Subject to the provisions of Sections 3.02 and 3.04 hereof, Tenant shall pay to Landlord, at least 5 days before the last date when the same may be paid by Landlord pursuant to Paragraph First of the Ground Lease, all amounts payable by Landlord pursuant to said Paragraph in respect of taxes, charges, assessments, and water and sewer rents and Tenant shall also pay before any fine, penalty, interest or cost may be added thereto, or become due or be imposed by operation of law for the nonpayment thereof, any and all other taxes, assessments, rents, rates, charges for public utilities, excises, levies, vault and all other license and permit fees and other governmental charges, general and special, ordinary and extraordinary, unforeseen and foreseen, of any kind and nature whatsoever which at any

9

time prior to or during the term of this lease may be assessed, levied, confirmed, imposed upon, or grow or become due and payable out of or in respect of, or become a lien on, the Demised Premises or any part thereof or any appurtenance thereto, the income received from any subtenant or Total Subtenant, any use or occupation of the Demised Premises, and such franchises as may be appurtenant to the use of the Demised Premises, this transaction or any document to which Tenant is a party creating or transferring an interest or estate in the Demised Premises, (all such taxes, assessments, rents, rates, excises, levies, fees and other charges being hereinafter referred to as "Impositions", and any of the same being hereinafter referred to as an "Imposition").

SECTION 3.02. Nothing herein contained shall require Tenant to pay income taxes or corporation franchise or excess profits taxes or estate, inheritance, succession or transfer taxes or capital levies assessed against or imposed upon Landlord; provided, however, that if at any time during the term of this lease the methods of taxation prevailing at the commencement of the term hereof shall be altered so as to cause the whole or any part of the taxes, assessments, levies, impositions or charges now or hereafter levied, assessed or imposed on real estate and the improvements thereon to be levied, assessed and imposed, wholly or partially on the rents received therefrom, or to be measured by or based, in whole or in part, upon the Demised Premises and imposed upon Landlord, then all such taxes, assessments, levies, impositions or charges, or the part thereof so levied, assessed, imposed, measured or based, shall be deemed to be included within the term "Impositions" for the purposes hereof, to the extent that such Impositions would be payable if the Demised Premises were the only property of Landlord subject to such Impositions, and Tenant shall pay and discharge the same as herein provided in respect of the payment of Impositions.

10

Nothing herein shall require Tenant to pay any portion of the Impositions in respect of the Demised Premises which shall be payable by the Ground Lessor except to the extent that Landlord, as Ground Lessee, shall be obligated to pay, or reimburse the Ground Lessor for the payment of, the same.

SECTION 3.03. Landlord may, by written notice, require Tenant (a) to pay directly to the Ground Lessor on or before the due date thereof all amounts payable by Landlord in respect of Impositions pursuant to Paragraph First of the Ground Lease, or (b) to pay to Landlord, at least 5 days before the same would otherwise be payable pursuant to Section 3.01 hereof the amount of any other Impositions to be paid by Tenant pursuant to said Section. Tenant will furnish to Landlord, promptly after payment thereof, receipts for all Impositions paid by Tenant pursuant to this Article to persons other than Landlord. Landlord will deliver to Tenant copies of any bills or notices received by Landlord with respect to any Impositions payable by Tenant.

SECTION 3.04. Tenant shall have the right to contest the amount or validity, in whole or in part, of any Imposition by appropriate proceedings diligently conducted in good faith and (if payment of such Imposition would operate as a bar to such contest or interfere materially with the prosecution thereof) may postpone or defer payment of such Imposition, provided that

(a) neither the Demised Premises nor any part thereof would, by reason of such postponement or deferment, be in danger of being forfeited or lost,

(b) such contest (if in respect of any Imposition payable by Landlord as Ground Lessee) shall be permitted by the Ground Lease or the Ground Lessor, and Tenant shall furnish the Ground Lessor with such indemnities as may be required by the Ground Lease or the Ground Lessor,

11

(c) such postponement or deferment (if in respect of any Imposition payable by Landlord as Ground Lessee) will entitle Landlord, as Ground Lessee, to a corresponding postponement or deferment under the Ground Lease, and

(d) in case of any such postponement or deferment, Tenant shall have deposited with Landlord the amount so contested and unpaid, together with all interest and penalties in connection therewith and all charges that may or might be assessed against or become a charge on the Demised Premises or

any part thereof in such proceedings, or shall have furnished to Landlord security reasonably satisfactory to Landlord sufficient to cover said amount, interest, penalties and charges.

Upon the termination of any such proceedings, Tenant shall pay the amount of such Imposition or part thereof as finally determined in such proceedings, the payment of which may have been deferred during the prosecution of such proceedings, together with any costs, fees, interest, penalties or other liabilities in connection therewith, and, upon such payment, Landlord shall return, without interest, any amount deposited with it with respect to such Imposition as aforesaid, or, at the written request of Tenant, Landlord shall make available to Tenant, upon such reasonable conditions as Landlord may prescribe, the amount of such deposit for the making of such payment as aforesaid. If, at any time during the continuance of such proceedings, Landlord shall deem any amount deposited as aforesaid insufficient, Tenant shall, upon demand, make an additional deposit, as aforesaid, of such additional sum as Landlord reasonably may request, and upon failure of Tenant so to do, the amount theretofore deposited may be applied by Landlord to the payment, removal and discharge of such Imposition, and the interest and penalties in connection therewith and any costs, fees or other liability accruing in any such proceedings, and the balance, if any, shall be returned to Tenant

12

SECTION 3.05. Landlord shall not be required to join in any proceedings referred to in Section 3.04 hereof unless the Ground Lease or the provisions of any applicable law, rule or regulation at the time in effect shall require that such proceedings be brought by and/or in the name of Landlord, in which event Landlord shall join in such proceedings or permit the same to be brought in its name. Landlord shall not ultimately be subjected to any liability for the payment of any costs or expenses in connection with any such proceedings, and Tenant shall indemnify and save harmless Landlord from any such costs and expenses. Tenant shall be entitled to any refund of any Imposition and penalties or interest thereon received by Landlord which have been paid by Tenant, or which have been paid by Landlord but previously reimbursed in full by Tenant, and which, in either event, shall not be payable to the Ground Lessor.

SECTION 3.06. Tenant may, in the name of, but without expense to Landlord, and after 10 days' prior written notice to Landlord, exercise any of the rights of Landlord provided for in Paragraph FIRST of the Ground Lease with respect to arbitration of disagreements as to the amount of Impositions payable by the Ground Lessee.

SECTION 3.07. Notwithstanding the foregoing provisions of this Article 3, Tenant shall not be obligated to make any payments in respect of any Impositions pursuant hereto until the rendition by Landlord to Tenant of a bill therefor, showing the aggregate amount of such Imposition and the portion thereof payable by Tenant pursuant hereto.

ARTICLE 4

SURRENDER.

SECTION 4.01. On the last day of the term hereof or upon any earlier termination of this lease, or upon any re-entry by Landlord upon the Demised Premises pursuant

13

to Article 19 hereof, Tenant shall surrender the Demised Premises, together with all fixtures and articles of personal property attached to or used in connection with the operation thereof, into the possession and use of Landlord without delay and in good order, condition and repair, reasonable wear and tear excepted, free and clear of all lettings and occupancies other than subleases permitted by this lease and any existing subleases and free and clear of all liens and encumbrances other than those, if any, permitted by this lease or created or consented to by Landlord.

SECTION 4.02. Where furnished by or at the expense of any subtenant, furniture, trade fixtures and business equipment (not constituting part of the Demised Premises) may be removed by Tenant or by such subtenant at or prior to the termination of its sublease, provided, however, that the removal thereof will not contravene the provisions of the Ground Lease and that Tenant shall with due diligence, and without expense to Landlord, cause the Building to be promptly restored to its condition prior to such removal and cause any injury due to such removal to be promptly repaired.

SECTION 4.03. Any personal property of Tenant or any subtenant which shall remain in the Building after the termination of this lease or any sublease and the removal of Tenant or such subtenant from the Building, 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 fit.

SECTION 4.04. Landlord shall not be responsible for any loss or damage occurring to any property owned by Tenant or any subtenant.

SECTION 4.05. The provisions of this Article 4 shall survive any termination of this lease.

14

INSURANCE

SECTION 5.01. Tenant, at its sole cost and expense, shall keep the Building insured, during the term of this lease, against loss or damage by fire, lightning, windstorm, hail, explosion, riot and civil commotion, aircraft and vehicles and smoke, and all other available extended coverage (with provisions for deduction of not more than \$50) in an amount which is not less than 100% of the replacement value of the Building, without any deduction being made for depreciation, to the extent such insurance is available. Such replacement value shall be determined from time to time, but not more frequently than once in any 24 consecutive calendar months, at the request of Landlord, by one of the insurers or, at the option of Landlord, by an appraiser, architect or contractor who shall be mutually and reasonably acceptable to Landlord and Tenant. No omission on the part of Landlord to request any such determination shall relieve Tenant of its obligation hereunder.

SECTION 5.02. Tenant, at its sole cost and expense, shall maintain:

(a) comprehensive general public liability insurance against claims for bodily injury, death or property damage, occurring thereon, in or about the Demised Premises or the elevators or any escalator therein and on, in or about the adjoining streets, property and passageways, such insurance to afford minimum protection, during the term of this lease, of not less than \$500,000 in respect of bodily injury or death to any one person, and of not less than \$2,000,000 in respect of any one accident, and of not less than \$100,000 for property damage;

(b) boiler insurance, provided the Building contains a boiler, and, if requested by Landlord, plate glass insurance;

15

(c) war risk insurance upon the Building as and when such insurance is obtainable from the United States of America, or any agency or instrumentality thereof, in an amount equal to the lesser of the full replacement value thereof or the maximum amount of such insurance obtainable;

(d) rent insurance against loss of rent due to the risks referred to in Section 5.01 (including those embraced by available extended coverage) in an amount sufficient to prevent Landlord (and Tenant, if named as an insured) from being a co-insurer within the terms of the policy or policies in question, but in any event in an amount not less than the net rent and the estimated additional rent hereunder for 18 months; and in the event that the Building shall be destroyed or seriously damaged, Tenant shall cause to be deposited with Landlord so much of the proceeds of such insurance as shall equal the net rent and estimated additional rent for one year, which amount shall be held and applied by Landlord on account of the payment of such net rent and additional rent until the restoration of the Building, at which time, provided Tenant is not then in default, the balance, if any, of such deposit shall be returned by Landlord to Tenant; and

(e) such other insurance, and in such amounts, as may from time to time be reasonably required by Landlord against other insurable hazards which at the time are commonly insured against in the case of premises similarly situated, due regard being given to the height and type of building, its construction, use and occupancy.

Tenant shall not violate or permit to be violated any of the conditions or provisions of any policy provided for in Section 5.01 or 5.02 and Tenant shall so perform and satisfy the requirements of the companies writing such

16

policies that at all times companies of good standing satisfactory to Landlord shall be willing to write and/or to continue such insurance.

SECTION 5.03. Tenant may effect for its own account any insurance not required under the provisions of this lease, but any insurance effected by Tenant on the Building, whether or not required under this Article 5, shall be for the mutual benefit of Landlord and Tenant and shall be subject to all other provisions of this Article 5 and of Article 15 hereof. Tenant shall promptly notify Landlord of the issuance of any such insurance.

SECTION 5.04. All insurance provided for in this Article 5 shall be effected under valid and enforceable policies issued by insurers of recognized responsibility which are licensed to do business in the State of New York, are well rated by national rating organizations, and have been approved in writing by Landlord (such approval not to be unreasonably withheld) and, in the case of insurance provided for in Section 5.01, by the Ground Lessor. Upon the execution of this lease, and thereafter not less than 10 days prior to the expiration dates of the expiring policies theretofore furnished pursuant to this Article 5 or Article 9 hereof, originals of the policies, bearing notations evidencing the payment of premiums or accompanied by other evidence satisfactory to Landlord of such payment, shall be delivered by Tenant to Landlord, together (in the case of any insurance provided for in Section 5.01 hereof) with duplicate copies thereof.

SECTION 5.05. All policies of insurance provided for in Sections 5.01 and 5.02 hereof shall name Landlord, and (in the case of those provided for in Section 5.01) the Ground Lessor, as the insureds, as their respective interests

may appear. Subject to the provisions of the Ground Lease, such policies may also name Tenant and any Total Subtenant as their respective interests may appear, and may be made payable to any Leasehold Mortgagee and any

17

leasehold mortgagee (as defined in Section 18.13 hereof) of a total sublease, as their interests may appear, pursuant to a standard mortgagee clause. The loss, if any, under any policies provided for in such Section 5.01 and in paragraphs (c) and (e) of Section 5.02 shall be adjusted with the insurance companies (a) by Tenant, in the case of any particular casualty resulting in damage or destruction not exceeding \$100,000 in the aggregate, or (b) by Landlord, Tenant, any Leasehold Mortgagee, any Total Subtenant and any leasehold mortgagee of a total sublease, in the case of any particular casualty resulting in damage or destruction exceeding \$100,000 but not exceeding \$250,000 in the aggregate, or (c) by Landlord and (to the extent required or permitted by the Ground Lease) by the Ground Lessor and/or Tenant and/or any Leasehold Mortgagee, and/or any Total Sub-tenant and/or any leasehold mortgagee of a total sublease, as their respective interests may appear, in the case of any particular casualty resulting in damage or destruction exceeding \$250,000 in the aggregate. The proceeds of any such insurance, as so adjusted, shall be payable:

(i) to Tenant, in the case of any particular casualty resulting in damage or destruction not exceeding \$100,000 in the aggregate, or

(ii) to Landlord (or, at Tenant's election, to an insurance trustee which shall be a bank or trust company having its principal office in the Borough of Manhattan, City of New York, selected by, and whose charges shall be paid by, Tenant) for the purposes set forth in Article 15, in the case of any particular casualty resulting in damage or destruction exceeding \$100,000, but not exceeding \$250,000, in the aggregate, or

(iii) in the case of any particular casualty resulting in damage or destruction exceeding \$250,000 in the aggregate, either (A) to the insurance trustee designated pursuant to Paragraph Seventh of the Ground Lease in the case of proceeds of insurance provided

18

for in Section 5.01 hereof or (B) to Landlord (or, at Tenant's election, to an insurance trustee selected as provided in clause (ii) of this Section), for the purposes set forth in Article 15, in the case of proceeds of insurance provided for in Section 5.02 hereof.

All such policies shall provide that the loss, if any, thereunder shall be adjusted and paid as hereinabove provided. Each such policy shall contain (if obtainable) a provision that no act or omission of Tenant shall affect or limit the obligation of the insurance company to pay to Landlord the amount of any loss sustained and an agreement by the insurer that such policy shall not be cancelled without at least 10 days' prior written notice to Landlord and (in the case of policies provided for in Section 5.01) the Ground Lessor.

SECTION 5.06. If, at any time during the term of this lease, Landlord shall request that the amount of liability insurance provided by Tenant, as required by Section 5.02 and paragraph (g) of Section 9.01 hereof, be increased on the ground that such coverage is inadequate properly to protect the interest of Landlord, or if Landlord shall require other insurance pursuant to the provisions of paragraph (e) of Section 5.02, and Tenant shall refuse to comply with any such request or requirement, the dispute shall be submitted to arbitration as provided in Article 25 hereof. Tenant shall thereafter carry the amount, and such kind, of insurance as determined by such arbitration to be adequate and required, but in no event shall the amount of public liability insurance be less than the amounts specified in Section 5.02 and in paragraph (g) of Section 9.01 hereof.

SECTION 5.07. Upon the expiration of this lease, the unearned premiums upon any such transferable insurance policies lodged with Landlord by Tenant shall be apportioned, if Tenant shall not then be in default in the performance of any of Tenant's covenants, agreements and undertakings in this lease.

19

ARTICLE 6

LANDLORD'S RIGHT TO PERFORM TENANT'S CONVENANTS

SECTION 6.01. If Tenant shall at any time fail to pay any Imposition in accordance with the provisions of Article 3 hereof, or to pay for or maintain any of the insurance policies provided for in Article 5 hereof, or to make any other payment or perform any other act on its part to be made or performed hereunder, then Landlord, after 30 days' notice to Tenant (or, if necessary to avoid a default under the Ground Lease, after 10 days' notice, or, in case of any emergency, on such notice, or without notice, as may be reasonable under the circumstances) and without waiving, or releasing Tenant from, any obligation of Tenant hereunder, may (but shall not be required to):

(a) pay any Imposition payable by Tenant pursuant to the provisions of Article 3 hereof, or

(b) pay for and maintain any of the insurance policies provided for in Article 5 hereof, or

(c) make any other payment or perform any other act on Tenant's part to be made or performed as in this lease provided,

and may enter upon the Demised Premises for the purpose and take all such action thereon as may be necessary therefor.

SECTION 6.02. All sums so paid by Landlord and all costs and expenses incurred by Landlord in connection with the performance of any such act (together with interest thereon at the rate of 6% per annum from the respective dates of Landlord's making of each such payment or incurring of each such cost and expense) shall constitute additional rent payable by Tenant under this lease and shall be paid by Tenant to Landlord on demand,

20

and Landlord shall not be limited in the proof of any damages which Landlord may claim against Tenant arising out of or by reason of Tenant's failure to provide and keep in force insurance as aforesaid, to the amount of the insurance premium or premiums not paid or incurred by Tenant and which would have been payable upon such insurance, but Landlord shall also be entitled to recover as damages for such breach, the uninsured amount of any loss (to the extent of any deficiency in the insurance required by the provisions of this lease), damages, costs and expenses of suit suffered or incurred by reason of damage to, or destruction of, the Demised Premises, occurring during any period when Tenant shall have failed or neglected to provide insurance as aforesaid. However, any amount so recovered by the Landlord for damages to the Demised Premises shall be subject to the provisions of Article 15 hereof.

ARTICLE 7

REPAIRS AND MAINTENANCE OF THE PROPERTY, STEAM AND ELECTRICITY

SECTION 7.01. During the term of this lease, Tenant, at its sole cost and expense, will take good care of the Building (including the fixtures and facilities therein), and the sidewalks, driveways and curbs adjoining the Building and will maintain and keep the same in good order and condition, and make all necessary repairs thereto, interior and exterior, structural and non-structural, ordinary and extraordinary, and foreseen and unforeseen, unless prohibited by the Ground Lease and not consented to by Ground Lessor. When used in this Article 7, the term "repairs" shall include all necessary replacements, renewals, alterations, additions and betterments. All repairs made by Tenant shall be equal in quality and class to the original work. Nothing in this Section contained shall obligate Tenant to repair any portion of the Building

21

excepted from the Demised Premises if and to the extent that the Ground Lessor is obligated under the Ground Lease to make such repairs at its own cost and expense without reimbursement from Landlord as Ground Lessee. Without limiting the generality of the foregoing, Tenant shall cause all windows in the north and east walls of the Building, including the north wall of the south wing, to be caulked, and all split, buckled or otherwise damaged slate window sills in the Building to be replaced, on or before May 1, 1958, and Tenant will, promptly after written request by Landlord, cause all other windows of the Building to be caulked, when and if, in Landlord's reasonable judgment, such caulking shall be necessary.

SECTION 7.02. The necessity for and adequacy of repairs to the Building pursuant to Section 7.01 hereof shall be measured by the standard which is appropriate for buildings of similar construction and class, provided that Tenant shall in any event make all repairs required to be made by the Ground Lessee under the Ground Lease.

SECTION 7.03. Tenant shall maintain all portions of the Building and the adjacent sidewalks, driveways and curbs in a clean and orderly condition, free of dirt, rubbish, snow, ice and unlawful obstructions; provided, however, that Tenant shall not be responsible for the maintenance, lighting, cleaning and policing of the passageway extending from Lexington Avenue to the Grand Central Terminal building, but Tenant shall pay to Landlord (or, on Landlord's written request, to the Railroad Company), promptly upon rendition of bills therefor, the portion of the expense of such maintenance, lighting, cleaning and policing which Landlord is required to pay as Ground Lessee under the Ground Lease.

SECTION 7.04. Landlord shall not be required to furnish any services or facilities, or to make any repairs or alterations, in or to the Building.

22

SECTION 7.05. Tenant shall, at its own cost and expense, take all action necessary to obtain directly from the public utility companies furnishing such service in the Borough of Manhattan, City and State of New York, a sufficient supply of all electric current and all steam required for any and all purposes in the Demised Premises. All such arrangements (including the installation, in accordance with plans and specifications approved by Landlord and the Ground Lessor, of all mains, pipes, condensate lines, conduits, drip tanks, pumps, ejectors, meter equipment and other facilities required for the purpose of obtaining such service and disposing of any condensate therefrom and the installation of all such rectifiers, motor generators and other equipment, and the doing of such wiring and other work as may be required to enable Tenant to use the electric current to be supplied by such public utility company for the operation of elevators, ventilating fans, pumps and heavy machinery in the

Demised Premises) shall be completed and such service shall commence on or before January 1, 1959. Without limiting the generality of the foregoing provisions of this Article, Tenant shall be responsible for the maintenance and repair of such facilities. Pending the completion of such arrangements and the commencement of such service, Landlord assigns to Tenant its right to receive from the Ground Lessor, subject to the provisions of Paragraph Eighth of the Ground Lease, all such direct current and steam as the Ground Lessor is obligated to furnish thereunder for the Demised Premises, but Landlord shall not be responsible for the furnishing of such service except to the extent of permitting Tenant to take such action, in Landlord's name, as may be required to enforce said provisions of the Ground Lease.

SECTION 7.06. During the initial term of this lease, Tenant or any Total Subtenant shall, upon written request of Landlord, appoint from a list submitted by Landlord of at least four real estate firms specializing in the management

23

and operation of high grade office buildings in the Borough of Manhattan, one such firm to act as its agent in the management of the Demised Premises. After any such appointment of an agent, Landlord may, upon 30 days' notice, require Tenant or such a Total Subtenant to replace any such agent by appointment of another from a list of at least six such firms submitted by Landlord. Tenant or a Total Subtenant may at any time substitute or replace such appointed agent with any other agent selected from the last-furnished list.

ARTICLE 8

COMPLIANCE WITH LAWS, ORDINANCES, ETC.

SECTION 8.01. During the term of this lease, Tenant, at its sole cost and expense, shall promptly comply with all present and future laws, ordinances, orders, rules, regulations and requirements of all federal, state and municipal governments, courts, departments, commissions, boards and officers, any national or local Board of Fire Underwriters, or any other body exercising functions similar to those of any of the foregoing, foreseen or unforeseen, ordinary as well as extraordinary, which may be applicable to the Demised Premises and the sidewalks, curbs and vaults adjoining the Demised Premises or to the use or manner of use of the Demised Premises or the owners, tenants or occupants thereof, whether or not such law, ordinance, order, rule, regulation or requirement shall necessitate structural changes or improvements, or the removal of any encroachments or projections, ornamental, structural or otherwise, onto or over the streets adjacent to the Demised Premises, or onto or over other property contiguous or adjacent thereto.

SECTION 8.02. Tenant shall have the right to contest by appropriate proceedings diligently conducted in good faith, in the name of Tenant or Landlord or both, without cost or expense to Landlord, the validity or application of

24

any law, ordinance, order, rule, regulation or requirement of the nature referred to in Section 8.01 hereof, provided that such contest shall be permitted by the Ground Lease and Tenant shall have furnished to the Ground Lessor such indemnity as may be required by the terms of the Ground Lease. If by the terms of any such law, ordinance, order, rule, regulation or requirement, compliance therewith pending the prosecution of any such proceeding may legally be delayed without the incurrence of any lien, charge or liability of any kind against the Demised Premises or Tenant's leasehold interest therein and without subjecting Tenant or Landlord to any liability, civil or criminal, for failure so to comply therewith, Tenant may delay compliance therewith until the final determination of such proceeding. If any lien, charge or civil liability would be incurred by reason of any such delay, Tenant nevertheless, with the prior written consent of Landlord (such consent not to be unreasonably withheld), may contest as aforesaid and delay as aforesaid, provided that such delay would not subject Landlord to criminal liability and Tenant (i) furnishes to Landlord security, reasonably satisfactory to Landlord, against any loss or injury by reason of such contest or delay, and (ii) prosecutes the contest with due diligence.

Landlord shall not be required to join in any proceedings referred to in this Section unless the Ground Lease or the provisions of any applicable law, rule or regulation at the time in effect shall require that such proceedings be brought by and/or in the name of Landlord, in which event Landlord shall join in such proceedings or permit the same to be brought in its name.

SECTION 8.03. Without limiting the generality of the foregoing provisions of this Article 8 or the provisions of Article 7 hereof:

(a) Tenant shall not suffer, allow or permit the loading of any of the floors of the Building, or any

25

portion or portions thereof, beyond the weights permitted by the building ordinances of the City of New York, as changed from time to time during the term of this lease by orders of the municipal authorities having or asserting jurisdiction in the premises;

(b) Tenant shall not construct or allow or permit to be constructed any advertising signs upon the roof, walls or windows of the Building or

any lettering upon the windows, nor shall Tenant permit the windows above the floor next above the ground floor, or the windows, if any, in the spaces adjoining the passageway from Lexington Avenue to the Grand Central Terminal building, to be used for advertising or display purposes, without in each case the written consent of Landlord, and (if required by the Ground Lease) the written consent of the Ground Lessor first had and obtained.

ARTICLE 9

CHANGES AND ALTERATIONS

SECTION 9.01. Tenant will make no alterations or changes in the Building or any part thereof, except in compliance with the provisions of Paragraph Sixth of the Ground Lease, and all matters requiring the consent or approval of the Ground Lessor thereunder shall also require the consent or approval of Landlord, which consent or approval of Landlord shall not be unreasonably withheld. In addition to, and without limiting the generality of, the foregoing, Tenant covenants and agrees that:

(a) No change or alteration, involving an estimated cost of more than \$100,000, including any restoration required by Article 15 or 16 hereof, shall be made without the prior written consent of Landlord, such consent not to be withheld if the change

26

or alteration would not in the reasonable opinion of Landlord impair the value, rental value, rentability or usefulness of the Building or any part thereof.

(b) No change or alteration shall be undertaken until Tenant shall have procured and paid for, so far as the same may be required from time to time, all permits and authorizations of all municipal departments and governmental subdivisions having jurisdiction. Landlord shall join in the application for such permits or authorizations whenever such action is necessary, but without any liability or expense to Landlord.

(c) No structural change or alteration shall be made except in accordance with plans and specifications approved in writing by the Ground Lessor and Landlord, and such approval by Landlord shall not be unreasonably withheld.

(d) Any change or alteration shall, when completed, be of such a character as not to reduce the value, rental value or rentability or usefulness of the Demised Premises.

(e) Any change or alteration shall be made promptly and in a good and workmanlike manner and in compliance with all applicable permits and authorizations and building and zoning laws and with all other laws, ordinances, orders, rules, regulations and requirements of all federal, state and municipal governments, departments, commissions, boards and officers, any national or local Board of Fire Underwriters, or any other body hereafter exercising functions similar to those of any of the foregoing.

(f) The cost of any such change or alterations shall be paid in cash or its equivalent so that the Demised Premises shall at all times be free of liens for labor and materials supplied or claimed to have been supplied to the Demised Premises.

27

(g) Workmen's compensation insurance covering all persons employed in connection with the work and with respect to whom death or bodily injury claims could be asserted against Landlord, Tenant or the Demised Premises, and general liability insurance for the mutual benefit of Tenant and Landlord with limits of not less than \$250,000 in the event of bodily injury to one person and not less than \$1,000,000 in the event of bodily injury to any number of persons in any one accident, and with limits of not less than \$25,000 for property damage, shall be maintained or caused to be maintained by Tenant at Tenant's sole cost and expense at all times when any work is in process in connection with any change or alteration. All such insurance shall be in a company or companies of recognized responsibility, and all policies or certificates therefor issued by the respective insurers, bearing notations evidencing the payment of premiums or accompanied by other evidence satisfactory to Landlord of such payment, shall be delivered to Landlord.

(h) If the estimated cost of any such change or alteration shall be in excess of \$100,000, Tenant, before commencement of work, at Tenant's sole cost and expense, shall furnish to Landlord a surety company performance bond, issued by a surety company acceptable to Landlord, in an amount at least equal to the estimated cost of such change or alteration, guaranteeing the completion thereof within a reasonable time, free and clear of all liens, encumbrances, chattel mortgages, conditional bills of sale, and other charges, and in accordance with the plans and specifications approved by Landlord or, in lieu of such performance bond, other security reasonably satisfactory to Landlord. No performance bond or other security shall be required except to the extent that

28

such estimated cost exceeds the amounts deposited pursuant to Section 15.02 or available for the purpose pursuant to Section 16.04 of this lease.

ARTICLE 10

DISCHARGE OF LIENS

SECTION 10.01. Tenant will not create or permit to be created or to remain, and will discharge, any lien, encumbrance or charge (levied on account of any Imposition or any mechanic's, laborer's or materialman's lien or any mortgage, conditional sale, title retention agreement or chattel mortgage, or otherwise) which might be or become a lien, encumbrance or charge upon the Demised Premises or any part thereof or the income therefrom, having any priority or preference over or ranking on a parity with the estate, rights and interest of Landlord in the Demised Premises or any part thereof or the income therefrom, and Tenant will not suffer any other matter or thing whereby the estate, rights and interest of Landlord in the Demised Premises or any part thereof might be impaired; provided that any Imposition may, after the same becomes a lien on the Demised Premises, be paid or contested in accordance with Article 3 hereof, and any mechanic's, laborer's or materialman's lien may be discharged in accordance with Section 10.02 hereof.

SECTION 10.02. If any mechanic's, laborer's or materialman's lien shall at any time be filed against the Demised Premises or any part thereof, Tenant, within 50 days after notice of the filing thereof, will 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 period aforesaid, then, in addition to any other right or remedy, Landlord may, but shall not be obligated to, discharge the same either by paying the amount claimed to

29

be due or by procuring the discharge of such lien by deposit or by bonding proceedings, and in any such event Landlord shall be entitled, if Landlord so elects, to compel the prosecution of an action for the foreclosure of such lien by the lienor and to pay the amount of the judgment in favor of the lienor with interest, costs and allowances. Any amount so paid by Landlord and all costs and expenses incurred by Landlord in connection therewith, together with interest thereon at the rate of 6% per annum from the respective dates of Landlord's making of the payment or incurring of the cost and expense shall constitute additional rent payable by Tenant under this lease and shall be paid by Tenant to Landlord on demand.

SECTION 10.03. Nothing in this lease contained shall be deemed or construed in any way as constituting the consent or request of Landlord, express or implied by inference or otherwise, to any contractor, subcontractor, laborer or materialman for the performance of any labor or the furnishing of any materials for any specific improvement, alteration to or repair of the Demised Premises or any part thereof, nor as giving Tenant any right, power or authority to contract for or permit the rendering of any services or the furnishing of any materials that would give rise to the filing of any lien against the Demised Premises or any part thereof.

ARTICLE 11

USE OF PROPERTY

SECTION 11.01. Tenant will use the Demised Premises only for a high-grade office building, except that the ground floor and floor next above the ground floor may be used for banks, for trust companies, or for stores, and Tenant shall not use or permit or allow the Demised Premises or any portion thereof to be used for any other purpose, without

30

prior written consent of Landlord and the Ground Lessor. Tenant will not use or allow the Demised Premises or any part thereof to be used or occupied for any unlawful purpose or in violation of the Ground Lease or any certificate of occupancy or certificate of compliance covering or affecting the use of the Demised Premises or any part thereof and will not suffer any act to be done or any condition to exist on the Demised Premises or any part thereof or any article to be brought thereon, which would in any way violate the Ground Lease or which may be dangerous, unless safeguarded as required by law, or which may, in law, constitute a nuisance, public or private, or which may make void or voidable any insurance then in force with respect thereto.

SECTION 11.02. Tenant will not do or suffer any waste or damage, disfigurement or injury to the Building or any part thereof.

SECTION 11.03. Tenant shall not use or permit the use of the Demised Premises or any part thereof for any purpose which in the reasonable opinion of Landlord would adversely affect the then value or character of the Demised Premises. Any dispute between Landlord and Tenant arising under the provisions of this Section 11.03 shall be submitted to arbitration as provided under Article 25 hereof.

ARTICLE 12

GROUND LEASE

SECTION 12.01. This lease is subject and subordinate to all the terms, covenants and conditions of the Ground Lease and Tenant agrees that it will, at

its cost and expense, promptly perform and observe all obligations of Landlord, as Ground Lessee thereunder (other than the requirements thereof for the payment to the Ground

31

Lessor of the Ground Rent and additional rentals thereunder, to the extent that the same shall be paid by Tenant to Landlord), and comply with all restrictions and other requirements of the Ground Lease applicable to the Ground Lessee and the Demised Premises. Specific references in other Articles of this lease to compliance with particular requirements of the Ground Lease shall not limit the generality of the foregoing.

SECTION 12.02. Landlord covenants and agrees that it will duly pay to the Ground Lessor each and every installment of Ground Rent and additional rent under the Ground Lease which Tenant shall have paid hereunder to Landlord. Landlord further covenants and agrees that it will not do, suffer or permit any act, condition or thing to occur which would or may constitute a default under the Ground Lease, except to the extent that such occurrence shall have resulted, directly or indirectly, from a default hereunder either by Tenant or caused by any Total Subtenant or any subtenant. Tenant shall have the right to, at any time or from time to time, but shall not be obligated to, make any such payment or payments or take any such action as shall be necessary to prevent a default under the terms of the Ground Lease, and (except to the extent that such default shall have resulted, directly or indirectly, from a default hereunder by Tenant or caused by any Total Subtenant or any subtenant), Tenant may thereafter deduct the amount of any such payment from the next succeeding installment or installments of net rent or additional rent accruing under this lease, with interest thereon at the rate of 6% per annum from the date of any such payment.

SECTION 12.03. Landlord shall not modify or consent to any modification of the Ground Lease or the Grant of Term except with the prior written consent of Tenant and any such modification made without such consent shall be null and void and of no effect so far as Tenant is concerned.

32

ARTICLE 13

ENTRY ON PROPERTY BY LANDLORD, ETC.

SECTION 13.01. Tenant will permit Landlord and its authorized representatives to enter the Demised Premises at all reasonable times for the purpose of (a) inspecting the same and (b) making any necessary repairs thereto and performing any other work therein that may be necessary by reason of Tenant's failure to make any such repairs or perform any such other work or to commence the same for 30 days after written notice from Landlord. Nothing herein shall imply any duty upon the part of Landlord to do any such work; and performance thereof by Landlord shall not constitute a waiver of Tenant's default in failing to perform the same. Landlord may, during the progress of any such work in the Demised Premises, keep and store therein or elsewhere upon the Demised Premises all necessary materials, tools, supplies and equipment. Landlord shall not be liable for inconvenience, annoyance, disturbance, loss of business or other damage of Tenant, any Total Subtenant or any subtenant by reason of making such repairs or the performance of any such work, or on account of bringing materials, tools, supplies and equipment into or through the Demised Premises during the course thereof and the obligations of Tenant under this lease shall not be affected thereby.

SECTION 13.02. Landlord shall have the right to enter the Demised Premises at all reasonable times during usual business hours for the purpose of showing the same to prospective purchasers or mortgagees, and, at any time within 2 years prior to the expiration of the initial term of this lease (unless Tenant theretofore shall have given written notice of its election to renew this lease as provided in Article 20 hereof) or within 2 years prior to the expiration of any renewal term of this lease (unless Tenant, if entitled to renew this lease as provided in Article 20

33

hereof, theretofore shall have given Landlord written notice of its election so to renew this lease as therein provided), for the purpose of showing the same to prospective tenants.

ARTICLE 14

INDEMNIFICATION OF LANDLORD

SECTION 14.01. Tenant will indemnify and save harmless Landlord against and from all liabilities, obligations, damages, penalties, claims, costs, charges and expenses, including reasonable architects' and attorneys' fees, which may be imposed upon or incurred by or asserted against Landlord by reason of any of the following occurring during the term of this lease:

- (a) any work or thing done in, on or about the Demised Premises or any part thereof;
- (b) any use, non-use, possession, occupation, condition, operation, maintenance or management of the Demised Premises or any part thereof or any street, alley, sidewalk, curb, vault, passageway or space adjacent thereto;

(c) any negligence on the part of Tenant or any of its agents, contractors, servants, employees, sub-tenants, licensees or invitees;

(d) any accident, injury or damage to any person or property occurring in, on or about the Demised Premises or any part thereof or any street, alley, sidewalk, curb, vault, passageway or space adjacent thereto;

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

34

(f) any tax attributable to the execution, delivery or recording of this lease or any modification hereof.

In case any action or proceeding is brought against Landlord by reason of any such claim, Tenant upon written notice from Landlord will at Tenant's expense resist or defend such action or proceeding by counsel approved by Landlord in writing, such approval not to be unreasonably withheld.

ARTICLE 15

DAMAGE OR DESTRUCTION

SECTION 15.01. In case of casualty to the Building resulting in damage or destruction exceeding \$100,000 in the aggregate, Tenant shall promptly give written notice thereof to Landlord. Regardless of the amount of any such damage or destruction, Tenant shall at its sole cost and expense, and whether or not the insurance proceeds, if any, shall be sufficient for the purpose, restore, repair, replace, rebuild or alter the Building as nearly as possible to its value, condition and character immediately prior to such damage or destruction and in conformity with the requirements of the Ground Lease and the provisions of Article 9 hereof. Such restoration, repairs, replacements, rebuilding or alterations shall be commenced promptly and prosecuted, with reasonable diligence.

SECTION 15.02. Subject to the provisions of the Ground Lease, all insurance proceeds received by Landlord or any insurance trustee selected by Tenant pursuant to Section 5.05 hereof, on account of such damage or destruction, less the actual cost, fees and expenses, if any, incurred in connection with adjustment of the loss, shall be applied by Landlord or such insurance trustee to pay or reimburse Tenant for the payment of the cost of the aforesaid demolition, restoration, repairs, replacement, rebuilding or alterations,

35

including the cost of temporary repairs or for the protection of property pending the completion of permanent restoration, repairs, replacements, rebuilding or alterations (all of which temporary repairs, protection of property and permanent restoration, repairs, replacement, rebuilding or alterations are hereinafter collectively referred to as the "restoration"), and shall be paid out from time to time as such restoration progresses upon the written request of Tenant which shall be accompanied by the following:

(1) A certificate signed by Tenant, dated not more than 30 days prior to such request, setting forth the following:

(A) That the sum then requested either has been paid by Tenant, or is justly due to contractors, subcontractors, materialmen, engineers, architects or other persons who have rendered services or furnished materials for the restoration therein specified, the names and addresses of such persons, a brief description of such services and materials, the several amounts so paid or due to each of said persons in respect thereof, that no part of such expenditures has been or is being made the basis, in any previous or then pending request, for the withdrawal of insurance money or has been made out of the proceeds of insurance received by Tenant, and that the sum then requested does not exceed the value of the services and materials described in the certificate.

(B) That, except for the amount, if any, stated (pursuant to the foregoing subclause (1) (A)) in such certificate to be due for services or materials, there is no outstanding indebtedness known to the persons signing such certificate, after due inquiry, which is then due for labor, wages, materials, supplies or services in connection with such restoration.

37

Lease, Landlord or such insurance trustee shall, out of such insurance money, pay or cause to be paid to Tenant or the persons named (pursuant to subclause (1) (A) of this Section 15.02) in such certificate the respective amounts stated therein to have been paid by Tenant or to be due to them, as the case may be.

If the insurance money at the time available for the purpose, less the actual cost, fees and expenses, if any, incurred in connection with the adjustment of the loss, shall be insufficient to pay the entire cost of such restoration, Tenant will pay the deficiency.

Upon receipt by Landlord or such insurance trustee of satisfactory evidence of the character required by clauses (1) and (2) of this Section 15.02 and by

the Ground Lease that the restoration has been completed and paid for in full and that there are no liens of the character referred to therein, any balance of the insurance money held by Landlord or the insurance trustee selected by Tenant hereunder or to which Landlord may be entitled pursuant to the Ground Lease shall be paid to Tenant.

SECTION 15.03. If, during the last five years of the last renewal term of this lease, the Building shall be damaged or destroyed by fire or otherwise, and as a result thereof Landlord shall be entitled to terminate the Ground Lease pursuant to Paragraph Seventh thereof,

(a) nothing herein contained shall prohibit the Landlord from exercising such right of termination,

(b) Tenant shall have a corresponding right to terminate this lease; and

(c) in case of any such termination of the Ground Lease by Landlord, this lease shall terminate as of a date one day prior to the date of termination of the Ground Lease and Landlord shall give Tenant at least 30 days' prior written notice of the date of such termination.

38

In the event of any such termination, any insurance proceeds payable in respect of such damage or destruction shall be paid over to the Ground Lessor to the extent required by the Ground Lease and any balance thereof shall be applied first to the payment of any other amounts owing to the Ground Lessor pursuant to said Paragraph Seventh and any remaining balance shall be paid to Tenant.

SECTION 15.04. Except as provided in Section 15.03 hereof, no destruction of or damage to the Demised Premises or any part thereof by fire or any other casualty shall terminate or permit Tenant to surrender this lease or shall relieve Tenant from its liability to pay the full net rent and additional rent and other charges payable under this lease or from any of its other obligations under this lease, and Tenant waives any rights now or hereafter conferred upon it by statute or otherwise to quit or surrender this lease or the Demised Premises or any part thereof, or to any suspension, diminution, abatement or reduction of rent on account of any such destruction or damage.

ARTICLE 16

CONDEMNATION

SECTION 16.01. In the event that the Demised Premises, or any part thereof, shall be taken in condemnation proceedings or by exercise of any right of eminent domain, Landlord shall be entitled to collect from any condemnor the entire award that shall be made with respect to the leasehold estate created by the Ground Lease and for consequential damages to the Demised Premises, without deduction therefrom for any estate hereby vested in or owned by Tenant, subject to Tenant's rights as set forth in this Article 16. Tenant agrees to execute, or cause to be executed, any and all further documents that may be required in order to facilitate collection by Landlord of

39

any and all such awards. Tenant, in cooperation with Landlord, shall have the right to participate in any condemnation proceedings for the purpose of protecting Tenant's interest hereunder. For purposes of this Article, any such taking which shall result in a termination of the Ground Lease (whether by action of Landlord, by operation of law or otherwise) is referred to as a "Total Taking"; any such taking which shall not result in a termination of the Ground Lease is referred to as a "Partial Taking"; and the net amount of any such award so collected by Landlord in the event of a Total or Partial Taking, after deducting the expenses mentioned in Section 16.03 hereof, is referred to as the "Net Award."

SECTION 16.02. In case of a Total Taking, this lease shall terminate and expire on the date of termination of the Ground Lease and the net rent shall be apportioned and paid to such date. In such event, Tenant shall not be entitled to receive any apportionment of Impositions theretofore paid or payable by Tenant, except to the extent that apportionment or refund is granted by the condemnor acquiring the Demised Premises.

SECTION 16.03. In case of a Total Taking, the rights of Landlord and Tenant to share in the Net Award shall be as follows and in the following order of priority:

(a) In case of any such taking during the initial term of this lease, Landlord's share shall be an amount determined in accordance with Schedule C attached hereto and made part hereof.

(b) In case of any such taking during the first renewal term of this lease, Landlord's share shall be the greater of (i) 30% of the Net Award or (ii) an amount determined by deducting from \$6,000,000 the sum of \$45,000 for each 3-month period of said renewal term elapsed prior to the date of such Partial Taking.

40

(c) In case of any such taking during the second or third renewal term of this lease, Landlord's share shall be 30% of the Net Award.

(d) Tenant shall be entitled to receive any balance of the Net Award after all payments have been made to Landlord as provided in paragraphs (a), (b) and (c) of this Section 16.03.

There shall be deducted from Landlord's share the aggregate of any amounts retained by Landlord pursuant to Section 16.04 by reason of any prior Partial Taking.

SECTION 16.04. In case of a Partial Taking, Tenant, at its expense, shall restore the Building to substantially its former condition, to the extent the same is feasible, in accordance with the provisions of Article 9 hereof. All of the Net Award shall be held by Landlord and applied and paid over toward the cost of demolition, repair and restoration, substantially in the same manner and subject to the same conditions as those provided in Section 15.02 hereof with respect to insurance and other moneys, and any balance remaining in the hands of Landlord after payment of such cost of demolition, repair and restoration as aforementioned, shall be retained by Landlord and the net rent adjusted as provided in Section 16.05. In the event that the costs of such demolition, repairs and restoration shall exceed the Net Award, Tenant shall pay the deficiency.

SECTION 16.05. In case of a Partial Taking, this lease shall continue, but the net rent thereafter payable by Tenant shall be apportioned and reduced from the date of each such partial taking as follows:

(a) if such taking shall occur during the initial term, by an amount equal to 9% per annum of the Net Award as to rent payable for the remaining period of the initial term of this lease, and 3% per annum of the

41

Net Award as to rent payable during each renewal term of this lease; or

(b) if such taking shall occur during any renewal term of this lease, by an amount equal to 3% per annum of the Net Award as to rent payable during the remaining period of said renewal term and during any subsequent renewal term.

Any net rent becoming due and payable hereunder between the date of any such Partial Taking and the date of determination of the amount of the rent reduction, if any, to be made in respect hereof shall be paid at the rate theretofore payable hereunder; provided, however, that after such determination Landlord, within 10 days after request, shall pay to Tenant an amount equal to the amount by which any net rent theretofore paid by Tenant for such period shall exceed the amount of the net rent for such period as so reduced or Tenant, at its election, may deduct such amount from any subsequent installment or installments of net rent payable hereunder.

If, in the case of any Partial Taking, more than 20% of the rentable space in the Demised Premises is so taken, Tenant may elect to purchase from Landlord all of Landlord's right, title and interest in and to this lease and the Ground Lease, free and clear of any liens and encumbrances created or suffered by Landlord, together with any balance of the Net Award (after deducting any portion thereof theretofore paid over by Landlord to Tenant or at Tenant's direction on account of the cost of any restoration theretofore made pursuant to Section 16.04), at a purchase price determined as follows:

(a) If the Partial Taking occurs during the initial term hereof, the purchase price shall be the amount which would have been payable to Landlord pursuant to Section 16.03 (a) hereof if such Partial Taking had been a Total Taking.

42

(b) If the Partial Taking occurs after the initial term hereof, the purchase price shall be an amount equal to the greater of 30% of such Net Award (prior to any deduction for restoration costs) or 30% of the appraised value of Landlord's interest in the Demised Premises (determined as of a date immediately prior to such Partial Taking and without deduction for the value of the interest therein of Tenant and otherwise pursuant to the provisions of Section 25.02 hereof).

Such election to purchase shall be exercised by written notice to Landlord given within 60 days after the determination of the amount of the Net Award. Within 60 days after receipt of any such notice, Landlord shall assign to Tenant or Tenant's designee or nominee, against receipt of the purchase price, Landlord's interest in and to the Ground Lease, this lease and the Net Award; provided, however, that Landlord shall not be required to make any such assignment if Tenant shall, at the time, be in default hereunder and shall have been notified thereof, or if Tenant shall fail to assume Landlord's obligations under the Ground Lease, or if such assignment and assumption shall not operate to relieve Landlord of its liabilities and obligations under the Ground Lease. Such assignment shall be without recourse against Landlord.

No apportionment of Impositions shall be made in connection with such assignment except to the extent provided in Section 16.02. The net rent shall be apportioned to the date of such Partial Taking and Landlord shall refund to Tenant the amount by which any net rent paid by Tenant beyond said date shall exceed interest on the purchase price computed from said date to the date of payment of the purchase price. Said interest shall be computed at the rate of 6% per annum if the Partial Taking occurs during the initial term, or at the rate payable on the award by the condemnor if such Partial Taking

occurs during any renewal term. Any funds held by Landlord in which Tenant shall have an interest shall be turned over to Tenant upon delivery of such assignment.

Any dispute between Landlord and Tenant as to whether or not more than 20% of the Demised Premises shall have been so taken shall be submitted to arbitration pursuant to Section 25.01.

SECTION 16.06. Tenant shall not be entitled to share in any award or awards made in condemnation proceedings for the taking of any appurtenances to the Demised Premises, vaults, areas or projections outside of the boundaries of the Demised Premises, or rights in, under or above the streets adjoining said lands, or the rights and benefits of light, air or access to said streets, or for the taking of space, or rights therein, below the surface of, or above, the Demised Premises; provided, however, that any award or compensation received by Landlord for any such taking shall be applied and paid over, as provided in Section 16.04, toward the cost of such demolition, repair and restoration of the Building as shall be necessitated by such taking, and any balance remaining in the hands of Landlord shall be retained by Landlord, and the net rent shall be reduced and apportioned in the same manner as provided in Section 16.05 with respect to the balance of the Net Award received and retained by Landlord in the case of a Partial Taking.

SECTION 16.07. If the temporary use of the whole or any part of the Demised Premises shall be taken by any lawful power or authority, by the exercise of the right of condemnation or eminent domain, or by agreement between Tenant and those authorized to exercise such right, Tenant shall give prompt notice thereof to Landlord, the term of this lease shall not be reduced or affected in any way, Tenant shall continue to pay in full the net rent, additional rent and other charges herein reserved, without

reduction or abatement, and Tenant shall be entitled to receive for itself any award or payment made for such use, provided, however, that

(a) if the taking is for a period not extending beyond the initial term or the then current term of this lease and if such award or payment is made in a lump sum, the same shall be paid to and held by Landlord as a fund which Landlord shall apply from time to time to the payments due to Landlord from Tenant under the terms of this lease, except that, if such taking results in changes or alterations in the Building which would necessitate an expenditure to restore the Building to its former condition, then a portion of such award or payment considered by Landlord as appropriate to cover the expenses of such restoration shall be retained by Landlord, without application as aforesaid, and applied and paid over toward the restoration of the Building to its former condition, substantially in the same manner and subject to the same conditions as those provided in Section 15.02 hereof with respect to insurance and other monies, or

(b) if the taking is for a period extending beyond the initial term or the then current term of this lease, such award or payment shall be apportioned between Landlord and Tenant as of the stated expiration date of such term; Tenant's share thereof shall, if paid in a lump sum, be paid to Landlord and applied in accordance with the provisions of paragraph (a) of this Section 16.07 and, in case the then current term of this lease shall be extended pursuant to Article 20 hereof beyond such then current term, Landlord shall from time to time, from and after the commencement of such extended term, apply the sums received by it upon such apportionment to the payments thereafter due to Landlord from Tenant under the terms

of this lease; provided, however, that the amount of any award or payment allowed or retained for restoration of the Building, shall remain the property of Landlord if the lease shall expire prior to the restoration of the Building to its former condition.

Tenant shall also pay all fees, costs and expenses of every character of the Landlord in connection with the eventualities provided for in this Section. Tenant shall be entitled at the close of each year after any such taking, to receive any surplus remaining of said award or awards, after making provision for all payments required pursuant to paragraphs (a) and (b) of this Section 16.07.

SECTION 16.08. In the case of any taking covered by the provisions of this Article 16, except as in Section 16.07 provided, Landlord and Tenant shall be entitled to reimbursement from any award or awards of all reasonable costs, fees and expenses incurred in the determination and collection of any such awards.

SECTION 16.09. If the Ground Lessor shall take and use, or permit to be used, any portion of the Demised Premises pursuant to the Ground Lease, Landlord shall be entitled to receive and retain any lump sum payment made by the Ground Lessor pursuant to the Ground Lease on account of the rental value of such portion so taken, in which event the net rent thereafter payable hereunder shall be reduced in accordance with the provisions of Section 16.05 with the same effect as though the amount so retained and received by Landlord had represented a Net Award received in respect of a Partial Taking. If, however, in lieu of a lump sum payment to Landlord by reason of such a taking by the Ground Lessor,

the Ground Rental shall be reduced or the Lessee under the Ground Lease shall be entitled to a credit or offset in respect thereof against the Ground Rental thereafter payable,

46

Tenant shall not be entitled to any reduction or abatement of the net rent hereunder.

SECTION 16.10. In any case under this Article 16, where Landlord is required to hold, apply and pay over moneys toward the cost of demolition, repair or restoration, Tenant may elect to have such moneys paid to a trustee, which shall be a bank or trust company having its principal office in the Borough of Manhattan, City of New York, selected by, and whose charges shall be paid by, Tenant. In such case such trustee shall disburse such moneys substantially in the same manner and subject to the same conditions as an insurance trustee disbursing insurance proceeds under Section 15.02 hereof. The portion of said moneys which Landlord is entitled to retain shall be paid over to Landlord by said trustee.

ARTICLE 17

VAULT SPACE

SECTION 17.01. Vaults and areas, if any, now or hereafter built extending beyond the building line of the Demised Premises are not included within the Demised Premises, but Tenant may occupy and use the same during the term of this lease, subject to the Ground Lease and to such laws, permits, rules and regulations as may be imposed by appropriate governmental authorities with respect thereto.

SECTION 17.02. No revocation on the part of any governmental department or authority of any license or permit to maintain and use any such vault shall in any way affect this lease or the amount of the rent or any other charge payable by Tenant hereunder. If any such license or permit shall be revoked, Tenant will, at its sole cost and expense, do and perform all such work as may be necessary to comply with any order revoking the same.

47

ARTICLE 18

MORTGAGES, ASSIGNMENTS, SUBLEASES AND TRANSFERS OF TENANT'S INTEREST

SECTION 18.01. Except as hereinafter otherwise specifically provided:

(i) neither this lease nor any interest of Tenant in this lease or in any sublease, or in any subrents shall be sold, assigned, transferred or otherwise disposed of, whether by operation of law or otherwise, nor shall the Demised Premises be sublet as an entirety or substantially as an entirety; nor

(ii) shall any of the issued and outstanding capital stock of any corporation or corporations owning this lease as Tenant be sold, assigned, transferred or otherwise disposed of if such sale, assignment, transfer or other disposition will result in vesting the control of such corporation or corporations in a person or persons, who was not a stockholder of such corporation or corporations at the time such corporation or corporations became the owner of this lease, pursuant to the terms hereof; nor

(iii) shall the interest or interests of any partner in any partnership at any time owning this lease as Tenant be sold, assigned, transferred or otherwise disposed of, if such sale, assignment, transfer or other disposition will result in vesting the control of such partnership in persons who were not partners at the time such partnership became the owner of this lease, pursuant to the terms hereof;

without the prior written consent of Landlord.

After January 1, 1963, Landlord's consent to an assignment of Tenant's interest in this lease or to any of the

48

transactions mentioned in subsections (ii) and (iii) may not be unreasonably withheld, provided that, in the case of any such assignment the assignee shall be a corporation or corporations qualified to do business in the State of New York or a partnership having at least one general partner who shall be a resident of the State of New York.

Pursuant to this Section, Landlord hereby consents to the execution and delivery of a total sublease to Rose Iacavone substantially in the form identified as Exhibit D, initialled by the parties hereto and herein referred to as the "Iacavone Sublease". In the event that the Iacavone Sublease, or any total sublease subsequently made by Tenant with Landlord's consent, shall be terminated, whether such termination shall occur before or after January 1, 1963, Landlord agrees that it will not unreasonably withhold its consent to the making of a new total sublease to a corporation or partnership of the type referred to in the foregoing paragraph, in substantially the same form as the Iacavone Sublease, except as to the rent payable under such new total sublease, which rent shall be at least equal to the net rent and additional rent payable

hereunder and except that such new total sublease may be for a term shorter than that of the Iacavone Sublease. The credit standing or financial responsibility of the proposed new Total Subtenant shall not be considered by Landlord in determining whether to withhold its consent to such new total sublease.

Not more than one total sublease shall be permitted to exist at any one time. Not more than one partnership or three corporations may at any one time constitute the Tenant hereunder or the Total Subtenant under any total sublease.

No consent by Landlord to an assignment of this lease or any interest therein and no assignment made as hereinafter permitted, shall be effective until there shall have been delivered to Landlord an agreement, or a duplicate original of such assignment containing an agreement, in recordable form, executed by the assignor and the proposed assignee, wherein and whereby such assignee assumes due

49

performance of the obligations on the assignor's part to be performed under this lease to the end of the term hereof.

Landlord's consent shall not be required for

(a) the assignment, transfer or other disposition of Tenant's interest in this lease if such assignment, transfer or other disposition shall occur as the result of the death or incompetency of any person, or of any partner in a partnership, owning this lease as Tenant, nor to an assignment, transfer or other disposition of the interest of Tenant in this lease by any corporation or corporations or any partnership owning this lease as Tenant either to any corporation or corporations qualified to do business in New York or to any partnership having at least one general partner resident in the State of New York, provided that each stockholder of such corporation or corporations or each partner in such partnership to which such assignment, transfer or other disposition shall be made shall either own stock in such corporation or corporations or have an interest in such partnership in an amount which shall be proportionately comparable to the amount of stock owned or the interest held by such stockholder or partner in the corporation or corporations or the partnership making the assignment, transfer or other disposition;

(b) the assignment, transfer or other disposition of the issued and outstanding capital stock of any corporation or corporations owning this lease as Tenant occurring as the result of the death, incompetency or bankruptcy of any stockholder; or the sale, assignment, transfer or other disposition of the issued and outstanding capital stock of any corporation or corporations owning this lease as Tenant, provided such sale, assignment, transfer or other disposition does not result in vesting the control of such corporation or corporations in a person or persons who was not

50

a stockholder of such corporation or corporations at the time such corporation or corporations became the owner of this lease pursuant to the terms hereof;

(c) the assignment, transfer or other disposition of the interest or interests of any partner in any partnership at any time owning this lease as Tenant occurring as a result of the death, incompetency or bankruptcy of such partner; or the sale, assignment or transfer or other disposition of the interest of any such partner provided such sale, assignment, transfer or other disposition does not result in vesting the control of such partnership in one or more persons who were not partners in such partnership at the time such partnership became the owner of this lease pursuant to the terms hereof; or

(d) a pledge or hypothecation of issued and outstanding capital stock of any corporation or corporations, or of an interest in any partnership, owning this lease as Tenant by any stockholder in such corporation or corporations, or by any partner in such partnership, to any savings bank, bank or trust company or other institution under the supervision of the Comptroller of the Currency of the United States or of the Insurance or Banking Departments of the State of New York.

For the purpose of this Section 18.01, "control" of any corporation shall be deemed to be vested in the person or persons owning more than 50% of the voting power for the election of the members of the Board of Directors of such corporation; and "control" of a partnership shall be deemed to be vested in the person or persons owning more than 50% of the total interest in such partnership.

Any assignment of this lease, or of the interest of Tenant hereunder, or transfer of stock or any interest in any corporation or partnership as aforesaid, without full

51

compliance with any and all requirements set forth in this lease shall be invalid and of no effect against Landlord.

Upon the making of an effective assignment hereunder and the delivery by the assignor to Landlord of the agreement of the assignee to assume the

obligations of this lease as aforesaid, all liabilities and obligations on the part of the assignor accruing after such assignment shall terminate, provided that upon the effective date of such assignment and thereafter all liabilities and obligations shall be binding only upon the assignee, but nothing herein contained shall be construed to release the assignor from any liability or obligation which accrued prior to the effective date of such assignment. In the event this lease shall be assigned to a partnership, or to more than one corporation, all such corporations and all general partners in such partnership shall assume the obligations of this lease jointly and severally; but upon any subsequent assignment of this lease by such partnership the liabilities and obligations of the partners in such partnership shall similarly be terminated.

SECTION 18.02. Tenant shall have the right to mortgage this lease, to execute and deliver to a trustee a deed of trust of this lease securing bonds or notes issued by Tenant, and to assign, pledge or hypothecate this lease as security for any such mortgage or deed of trust: (a) to a college or university; or (b) to a pension fund or employees' profit-sharing trust subject to regulation by the State of New York or any agency thereof; or (c) to a savings bank, bank, trust or insurance company, or any other monetary or lending institution, authorized to make leasehold mortgage loans in the State of New York, organized and existing under the laws of the United States, or any state thereof, and authorized to do business in the State of New York and under the supervision of the Comptroller of the Currency of the United States, or of either the Insurance or Banking Departments of the State of New York. Any one of the foregoing permitted

52

mortgagees is hereinafter referred to as an Institution. In connection with an assignment of this lease as in Section 18.01 of this Article 18 provided, Tenant may take back a purchase money Leasehold Mortgage as part of the consideration for such assignment. Except as herein specifically permitted, Tenant shall not, without the prior written consent of the Landlord, mortgage or pledge the interest of Tenant in and to this lease or in and to the Demised Premises, whether by operation of law or otherwise.

No Leasehold Mortgage shall be binding upon Landlord in the enforcement of its rights and remedies herein and by law provided, unless and until an executed counterpart thereof shall have been delivered to Landlord, notwithstanding any other form of notice, actual or constructive. Any Leasehold Mortgage shall be specifically subject and subordinate to the rights of Landlord hereunder, including specifically, but without limitation, the rights of Landlord under Section 18.10 hereof. Any mortgage on this lease or the interest of Tenant hereunder without full compliance with any and all requirements hereunder shall be invalid and no effect against Landlord. The consent by Landlord to a Leasehold Mortgage as hereinabove provided, may be conditioned at the option of Landlord, upon the inclusion of a clause in the leasehold mortgage substantially to the effect that: (i) the Leasehold Mortgagee, prior to the institution of any proceedings to foreclose any mortgage, or negotiations to accept an assignment in lieu of a foreclosure, shall notify Landlord in writing to that effect, (ii) Landlord shall have the right within 20 days after the giving of such notice to purchase the mortgage and the indebtedness which it secures, at a purchase price equal to the full amount then owing to the Leasehold Mortgagee under said mortgage and the indebtedness which it secures, including interest accrued and unpaid and statutory costs and allowances in the event any foreclosure proceedings shall have commenced. No more than one Leasehold Mortgage on this lease and no more than one leasehold

53

mortgage on any total sublease shall be permitted to exist at any one time.

SECTION 18.03. Any Consent by Landlord to a sale, assignment, total sublease, mortgage, pledge, hypothecation, transfer of stock, or transfer of this lease, shall apply only to the specific transaction thereby authorized and shall not relieve Tenant from the requirement of obtaining the prior written consent of Landlord to any further sale, assignment, mortgage, total sublease, pledge, hypothecation, transfer of stock as aforementioned, or other transfer of this lease. In instances where the consent of Landlord to any such transaction may not be unreasonably withheld, then, contemporaneously with the request of Tenant for such consent, Tenant shall submit, in writing, information reasonably sufficient to enable Landlord to decide with respect thereto. The failure of Landlord to reply within a period of 30 days after receipt of any such request (or 10 days in the case of a request for consent to the making of a new total sublease) shall be deemed to constitute the refusal of Landlord to grant consent. The written refusal by Landlord to so consent, or Landlord's failure to reply within such period shall, at the election to Tenant, constitute a dispute to be determined by arbitration as provided in Article 25 hereof. The arbitration of any such dispute, as herein provided, shall constitute the sole remedy available to the parties with respect to any such refusal of consent.

SECTION 18.04. If a Leasehold Mortgagee shall have given to Landlord, before any default shall have occurred under this lease, a written notice, specifying the name and address of such mortgagee, Landlord shall give to such Leasehold Mortgagee a copy of each notice of default by Tenant at the same time as and whenever any such notice of default shall thereafter be given by Landlord to Tenant, addressed to such Leasehold Mortgagee at the address last furnished to Landlord which address

54

shall (unless otherwise approved by the Landlord or except in the case of an

Institution) be in the Borough of Manhattan, City and State of New York. No such notice by Landlord shall be deemed to have been given unless and until a copy thereof shall have been so given to such Leasehold Mortgagee. Landlord will accept performance by any such Leasehold Mortgagee of any covenant, condition, or agreement on Tenant's part to be performed hereunder with the same force and effect as though performed by Tenant, if the same shall be adequate for purposes of compliance with the Ground Lease and if, at the time of such performance, Landlord shall be furnished with evidence reasonably satisfactory to Landlord of the interest in the lease claimed by the person tendering such performance.

SECTION 18.05. In case of termination of this lease by reason of the happening of any Event of Default, Landlord shall give notice thereof to any Leasehold Mortgagee who shall have notified Landlord of its name and address pursuant to Section 18.04 hereof, which notice shall be addressed to such Leasehold Mortgagee at the address last furnished to Landlord as above provided. Landlord shall, on written request of such Leasehold Mortgagee made any time within 30 days after the mailing of such notice, execute and deliver a new lease of the Demised Premises to such Leasehold Mortgagee, or its designee or nominee, for the remainder of the term of this lease, at the net rent and additional rent and upon the covenants, conditions, limitations and agreements herein contained, including the covenants in respect to renewals, provided that such Leasehold Mortgagee shall have paid to Landlord all rent, additional rent and other charges due under this lease up to and including the date of the commencement of the term of such new lease, together with all expenses, including reasonable attorney's fees, incident to the execution and delivery of such new lease, but nothing herein contained shall be deemed to impose any obligation on the

55

part of the Landlord to deliver physical possession of the Demised Premises to such Leasehold Mortgagee. Any such designee or nominee of a Leasehold Mortgagee shall be a corporation qualified to do business in the State of New York.

SECTION 18.06. No Leasehold Mortgagee shall be entitled to become the owner of this lease by foreclosure, or by assignment in lieu of foreclosure, unless such Leasehold Mortgagee, or its designee or nominee, shall first have delivered to Landlord an assumption agreement, executed in recordable form, wherein and whereby such Leasehold Mortgagee, assumes the performance of all the terms, covenants and conditions of this lease.

SECTION 18.07. Nothing herein contained shall prevent Tenant from subletting portions (constituting less than all or substantially all) of the Demised Premises, provided that each such sublease shall be subject and subordinate to this lease and to the rights of Landlord hereunder. Any total sublease shall also be expressly subject and subordinate to this lease and to the rights of Landlord hereunder and, subject to the provisions of Section 18.13 hereof, shall be expressly terminable at the sole election of Landlord upon the termination of this lease.

SECTION 18.08. Tenant shall furnish Landlord with fully executed or photo-copies of any total sublease and all subleases of space in the Demised Premises and with such information with respect thereto as Landlord may reasonably require and, in the case of a total sublease shall furnish Landlord with 10 additional copies thereof. Tenant shall deliver, or cause any Total Subtenant to deliver, to Landlord, in duplicate, within 90 days after the end of each fiscal year of Tenant or of the Total Subtenant, as the case may be, a statement of income and expenses for such fiscal year, and a rent schedule showing all subleases and the duration of the respective terms thereof, with respect to the operation of the Demised Premises,

56

which statement shall be certified by an independent certified public accountant. Such statement shall be accompanied by a statement of the names and addresses of all stockholders in any corporation or partners in any partnership holding this lease or any total sublease, showing the number of shares of stock owned by each stockholder of such corporation, or the respective interests of the partners in such partnerships, as the case may be; provided, however, that, if at any time during the term of this lease any corporation holding this lease or any total sublease is an Institution, or if the stock of any corporation holding this lease or any total sublease is listed on any recognized Stock Exchange, then a list of its stockholders shall not be required. If more than one corporation holds this lease or any total sublease, such statement shall be made by an officer of each such corporation.

SECTION 18.09. Tenant shall perform and observe each and every term and condition to be performed or observed by the sublessor under all existing and future subleases and shall and does hereby indemnify and agree to hold Landlord, harmless from any and all liabilities, claims and causes of action arising thereunder.

SECTION 18.10. Effective as of date of the happening of an Event of Default, Tenant hereby assigns to Landlord all of its right, title and interest in and to all present and future subleases and total subleases and all rents due and to become due thereunder. After the effective date of such assignment, Landlord shall apply any net amount collected by it from subtenants or any Total Subtenant to the rent or additional rent due under this lease. No collection of rent by Landlord from an assignee of this lease or from a subtenant or any Total Subtenant shall constitute a waiver of any of the provisions of this Article 18 or an acceptance of the assignee, subtenant or Total Subtenant as a tenant or a release of Tenant from performance by Tenant of its obligations under this lease.

In the event of the failure of any Subtenant to pay sub-rent to Landlord pursuant to the foregoing assignment after the happening of an Event of Default, any such rent thereafter collected by Tenant or any Total Subtenant shall be deemed to constitute a trust fund for the benefit of Landlord.

Tenant shall not directly or indirectly collect or accept any payment of rent (other than additional rent) under any sublease or total sublease more than three months in advance of the date when the same shall become due, and such rent, in the case of any future sublease or total sublease, shall be payable at least every three months; provided, however, that any sublease of a store may require the subtenant thereunder to make a rent security deposit in an amount not exceeding ten per cent of the aggregate sub-rent reserved for the term of such sublease.

SECTION 18.11. Tenant assumes and shall be responsible for and liable to Landlord, for all acts and omissions on the part of any present or future subtenant, and any violation of any of the terms, provisions or conditions of this lease, whether by act or omission, by any subtenant or Total Subtenant shall constitute a violation by Tenant. Wherever Landlord's consent is required to the taking of any action by Tenant under this Article 18, Landlord's consent shall also be required to the taking of any corresponding action by a Total Subtenant. In no event shall a Total Subtenant be entitled to make a further total sublease.

SECTION 18.12. Tenant shall not modify any major sublease or any total sublease so as to reduce the rent, shorten the term, or otherwise adversely affect to any material extent the rights of the lessor thereunder, or permit cancellation or accept the surrender of any such sublease, without the prior written consent of Landlord in each instance, which consent shall not be unreasonably withheld; provided, however, that, in the case of any major

sublease covering one or more full floors in the Building and any additional diversified smaller portions of space in the Building, such sublease may be modified in order to substitute new space in the Building for some or all of the diversified smaller space previously covered by such sublease if (a) the terms thereof, as so modified, shall not be otherwise modified except that provision may be made for an increase in the annual rental and for the redecoration of the new space in accordance with the standards then in effect for redecorating space in the Building demised to other tenants, and (b) no major sublease to any other subtenant shall be cancelled or modified in connection with such transaction; and provided further that Tenant may, without consent of Landlord, permit the cancellation or accept the surrender of any total sublease or shorten the term thereof or reduce the rent thereunder to an amount not less than the net rent and additional rent hereunder. In addition to being subject and subordinate to the terms of this lease, as required by the provisions of Section 18.07 hereof, each major sublease made after the date of this lease shall contain a specific provision to the effect that such sublease may not be modified or amended so as to reduce the rent or shorten the term, or otherwise adversely affect to any material extent the rights of the lessor thereunder, or be cancelled or surrendered without the prior written consent, in each instance, of Landlord.

Each future sublease shall also contain an agreement on the part of the subtenant to the effect that such sublease shall not terminate or be terminable by the subtenant thereunder by reason of any termination of this lease or of any total sublease, except that in case of the institution of any summary or other proceeding by Landlord, any sublease made after the date of this lease may be terminated if the subtenant thereunder is named by Landlord as a party, and served with process, in any such proceeding for possession of the Demised Premises or the space occupied by such subtenant, and a warrant or judgement for possession of such space is issued in such proceeding. Each future sublease shall contain an agreement on the part of the subtenant to the effect that Landlord shall be given notice of, and a reasonable opportunity to cure, any default on the part of the lessor under such sublease.

Notwithstanding the provisions of Section 18.11 hereof, if any Total Subtenant, in violation of the provisions of its total sublease, shall have executed and delivered a sublease which shall not conform to the requirements of this Section 18.12 or Section 18.07 hereof, Tenant shall not be deemed to be in default hereunder by reason of such default by the Total Subtenant, either (a) if such default by the Total Subtenant shall have been cured within 30 days after Landlord shall have notified Tenant of such default by the Total Subtenant, or (b) if Tenant shall have commenced proceedings to terminate such total sublease within 10 days after the expiration of such 30 day period and shall have thereafter diligently prosecuted such proceedings to completion.

SECTION 18.13. The provisions of Sections 18.04, 18.05, 18.06 and the last paragraph of Section 18.02 hereof applicable to Leasehold Mortgagees shall be applicable to a Total Subtenant and to a leasehold mortgagee (including in said term a trustee of a deed of trust securing an issue of bonds or notes issued by the Total Subtenant) of a total sublease; provided, however, that the provisions of Section 18.05 hereof shall not be applicable to a Total Subtenant if the Event of Default referred to in said Section 18.05 shall have resulted, directly or indirectly, from a default by such Total Subtenant under its total sublease, and provided further that the net rent and additional rent payable under any new lease of the Demised Premises to such Total Subtenant or leasehold mortgagee shall be increased to an amount equal to the fixed or basic rent and additional rent (other than rent based on a percentage of income) payable under such total

sublease.

In the event that any Total Subtenant or any leasehold mortgagee of any total sublease shall be entitled to exercise the rights of a Leasehold Mortgagee under Section 18.05, and if, within the 30 day period specified in Section 18.05 more than one request for a new lease shall have been received by Landlord, priority shall be given (regardless of the order in which such requests shall be made or received) to any Leasehold Mortgagee of this lease making such a request, then to any Total Subtenant making such a request and then to any leasehold mortgagee of a total sublease making such a request.

SECTION 18.14. Landlord agrees that if is shall execute and deliver a mortgage or deed of trust of the Ground

60

Lease as referred to in Paragraphs Third and Tenth thereof, it shall require the holder of each such mortgage or the trustee under each such deed of trust to covenant and agree in the mortgage or deed of trust that if such holder or trustee or the designee of either shall obtain a new lease as provided in said Paragraphs Tenth or shall renew the Ground Lease and become the lessee thereunder as provided in Paragraph Twelfth thereof then, provided that no Event of Default shall be in existence at the time of the termination of the Ground Lease and/or at the time when such new lease or renewal lease, as the case may be, is obtained by such holder, such holder, trustee or designee shall, simultaneously with the execution and delivery of such new lease or renewal lease, as the case may be, enter into a new lease with Tenant, without cost or expense to such holder, trustee or designee, for the remainder of the term of this lease or for the corresponding renewal term of this lease, as the case may be, and at the net rent and additional rent and upon the covenants, conditions, limitations and agreements contained herein including the covenants in respect to renewals.

SECTION 18.15. Notwithstanding the provisions of Article 10, paragraphs (f) and (h) of Section 9.01 and Section 18.01 hereof, but subject in other respects to the provisions of Article 9 hereof and subject to compliance with all applicable provisions of the Ground Lease, Tenant or any Total Subtenant may, in connection with the installation of air-conditioning in any office space in the Building (i) make a chattel mortgage or mortgages upon any air-conditioning facilities required for the purpose, or assign or pledge a portion of the subrent payable under any sublease of the space to be air-conditioned, in either case in order to secure the repayment of a loan obtained to finance not more than the cost of such air-conditioning installation (including necessary related alterations and redecorating), or (ii) purchase the necessary equipment for any such air-conditioning facilities under a conditional sale contract or contracts; provided, however, that

61

(1) prior to the taking of any such action, Tenant or such Total Subtenant shall have submitted to Landlord a written proposal for the air-conditioning of such space, which proposal shall

(a) include preliminary plans and outline specifications for, and an estimate of the cost of, the proposed installation,

(b) be conditioned upon an increase in (i) the net rent hereunder, and (ii) the basic or fixed rent payable under any total sublease, in each case by the amount necessary to amortize the cost of such installation and to yield 6% per annum on the unamortized balances of such cost over a period of not more than ten years which period, however, shall not extend beyond the date of expiration of any sublease referred to in paragraph (c) below, and

(c) be further conditioned upon an increase in the subrent payable under any and all subleases covering such space, by an amount at least sufficient to amortize the cost of such installation and to yield at least 6% per annum on the unamortized balances of such cost over the period referred to in paragraph (b) above;

and Landlord shall have failed or refused, within a period of 20 days after receipt of such proposal, to offer to pay for the cost of the proposed installation on the basis so proposed.

(2) any such conditional sale contract or loan security document shall contain provisions satisfactory to Landlord providing that the conditional vendor or the lender, as the case may be, will not exercise any rights or remedies after a default thereunder by the borrower or conditional purchaser, as the case may be, unless such conditional vendor or the lender shall have notified Landlord in writing of such default and Landlord shall have failed to cure such default within a period of 30 days after receipt of such notice;

62

(3) the subrent payable under any and all subleases of the space to be air-conditioned shall be increased by an amount (hereinafter called the air-conditioning rent) which shall in the aggregate be at least sufficient to cover all payments required to be made to the conditional vendor or lender when and as due (all of which payments shall become due within a period not in excess of ten years and not extending beyond the term of any such sublease);

(4) the amount of air-conditioning rent for any given period which may be

assigned or pledged as security for any such loan shall not exceed the amount required to pay the aggregate requirements for principal and interest payments on said loan for the same period;

(5) no such loan shall be secured both by chattel mortgage and assignment or pledge of air-conditioning rent.

Unless Landlord shall pay for the cost of such air-conditioning installation, no increase in respect thereof shall be made in the net rent hereunder or in the fixed or basic rent payable under any total sublease; provided, however, that any amounts expended by Landlord to cure any default under any such loan security document or conditional sale contract shall constitute additional rent hereunder. If Tenant or the Total Subtenant shall desire pursuant to this Section to air-condition any space to be leased under a new sublease not in effect at the time of the submission to Landlord of the proposal referred to in paragraph (1) of this Section, the part of the subrent payable under such sublease and properly attributable to the cost of the air-conditioning installation in such space may be treated, for purposes of this Section, as a rent increase for air-conditioning purposes, provided, however, that the total subrent for such space shall exceed the rent payable under the last previous sublease of such space by an amount at least equal to the air-conditioning rent. Landlord shall be furnished with a copy of any such conditional sale contract or loan security document.

63

ARTICLE 19

CONDITIONAL LIMITATIONS--DEFAULT PROVISIONS

SECTION 19.01. If any one or more of the following events (herein sometimes called "Events of Default") shall happen:

(a) if default shall be made in the due and punctual payment of any net rent or additional rent payable under this lease (on account of Ground Rent, Impositions or otherwise) or any part thereof when and as the same shall become due and payable, and such default shall continue for a period of 20 days after written notice thereof from Landlord to Tenant; or

(b) if default shall be made by Tenant in the performance of or compliance with any of the covenants, agreements, terms or provisions contained in this lease, other than those referred to in the foregoing paragraph (a), and such default shall continue for a period of 50 days after written notice thereof from Landlord to Tenant, except that in connection with a default not susceptible of being cured with due diligence within 50 days, the time of Tenant within which to cure the same shall be extended for such time as may be necessary to cure the same with all due diligence, provided Tenant commences promptly and proceeds diligently to cure the same and further provided that such period of time shall not be so extended as to subject Landlord to any criminal liability or to the possible termination of the Ground Lease; or

(c) if Tenant shall file a voluntary petition in bankruptcy or shall be adjudicated a bankrupt or insolvent, or shall file any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future federal bankruptcy act or any other present or future applicable federal, state or other

64

statute or law, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of Tenant or of all or any substantial part of its properties or of the Demised Premises or any interest of Tenant therein; or

(d) if within 60 days after the commencement of any proceeding against Tenant seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future federal bankruptcy act or any other present or future applicable federal, state or other statute or law, such proceeding shall not have been dismissed, or if, within 60 days after the appointment, without the consent or acquiescence of Tenant, of any trustee, receiver or liquidator of Tenant or of all or any substantial part of its properties or of the Demised Premises or any interest of Tenant therein, such appointment shall not have been vacated or stayed on appeal or otherwise, or if, within 60 days after the expiration of any such stay, such appointment shall not have been vacated; or

(e) if the Demised Premises shall be abandoned by Tenant;

(f) the inclusion, without Landlord's prior written consent, of subtenants as parties to any summary or other proceedings for the recovery of possession of the Demised Premises brought by Tenant against a Total Subtenant;

then and in any such event Landlord at any time thereafter during the continuance of such Events of Default may give written notice to Tenant and to any Leasehold Mortgagee or Total Subtenant or leasehold mortgagee of a total sublease entitled to notice of default, specifying such Event or Events of Default and stating that this lease and the term hereby demised shall expire and terminate on the date specified in such notice, which shall be at least 5 days after the giving of such notice in case of an Event of Default specified in paragraph (f) of this Section, or 20 days after the giving of such notice in

case of any other Event of Default; and upon the date specified in such notice, subject to the provisions of Section 19.04 hereof, this lease and the term hereby demised and all rights of Tenant under this lease shall expire and terminate.

Nothing in the preceding paragraph shall be deemed to require Landlord to give the 20 day notice therein provided for prior to the

65

commencement of a summary proceeding for non-payment of rent or a plenary action for the recovery of rent on account of any of the defaults specified in clause (a), it being intended that such notice is for the purpose of creating a conditional limitation hereunder pursuant to which this lease shall terminate and Tenant shall become a hold-over tenant.

If, at any time during the term of this lease, this lease is owned by more than one corporation as Tenant, the provisions of paragraphs (c) and (d) hereof shall apply to each such corporation.

SECTION 19.02. Upon any such expiration or termination of this lease, Tenant shall quit and peacefully surrender the Demised Premises to Landlord, and Landlord, upon or at any time after any such expiration or termination, may without further notice, enter upon and re-enter the Demised Premises and possess and repossess itself thereof, by force, summary proceedings, ejectment or otherwise, and may dispossess Tenant and remove Tenant and all other persons and property from the Demised Premises and may have, hold and enjoy the Demised Premises and the right to receive all rental income of and from the same.

SECTION 19.03. At any time or from time to time after any such expiration or termination, Landlord may relet the Demised Premises or any part thereof, in the name of Landlord or otherwise, for such term or terms (which may be greater or less than the period which would otherwise have constituted the balance of the term of this lease) and on such conditions (which may include concessions or free rent) as Landlord, in its uncontrolled discretion, may determine and may collect and receive the rents therefor. Landlord shall in no way be responsible or liable for any failure to relet the Demised Premises or any part thereof, or for any failure to collect any rent due upon any such reletting.

SECTION 19.04. No such expiration or termination of this lease shall relieve Tenant of its liability and obligations under this lease, and such liability and obligations shall survive any such expiration or termination. In the event of any such expiration or termination, whether or not the Demised Premises or any part thereof shall have been relet, Tenant shall pay to Landlord the net rent and all other charges required to be paid by Tenant up to

66

the time of such expiration or termination of this lease, and thereafter Tenant, until the end of what would have been the term of this lease in the absence of such expiration or termination, shall be liable to Landlord for, and shall pay to Landlord, as and for liquidated and agreed current damages for Tenant's default,

(a) the equivalent of the amount of the net rent and the other rent and charges which would be payable under this lease by Tenant if this lease were still in effect, less

(b) the net proceeds of any reletting effected pursuant to the provisions of Section 19.03 hereof, after deducting all Landlord's expenses in connection with such reletting, including, without limitation, all repossession costs, brokerage commissions, legal expenses, reasonable attorneys' fees, alteration costs, and expenses of preparation for such reletting.

Tenant shall pay such current damages (herein called "deficiency") to Landlord monthly on the days on which the net rent would have been payable under this lease if this lease were still in effect, and Landlord shall be entitled to recover from Tenant each monthly deficiency as the same shall arise. At any time after any such expiration or termination, in lieu of collecting any further monthly deficiencies as aforesaid, Landlord shall be entitled to recover from Tenant, and Tenant shall pay to Landlord, on demand, as and for liquidated and agreed final damages for Tenant's default, an amount equal to the difference between the net rent and all additional rent reserved hereunder for the unexpired portion of the term demised and the then fair and reasonable rental value of the Demised Premises for the same period. In the computation of such damages the difference between any installment of rent becoming due hereunder after the date of termination and the fair and reasonable rental value of the Demised Premises for the period for which such installment was payable

67

shall be discounted to the date of termination at the rate of four percent (4%) per annum. If the Demised Premises or any part thereof be re-let by Landlord for the unexpired term of said lease, or any part thereof, before presentation of proof of such liquidated damages to any court, commission or tribunal, the amount of rent reserved upon such re-letting shall prima facie be the fair and reasonable rental value for the part or the whole of the premises so re-let during the term of the re-letting. Nothing herein contained shall limit or prejudice the right of Landlord to prove for and obtain as liquidated damages by reason of such termination, an amount equal to the maximum allowed by any statute or rule of law in effect at the time when, and governing the proceedings

in which, such damages are to be proved, whether or not such amount be greater, equal to, or less than the amount of the difference referred to above.

SECTION 19.05. Tenant hereby expressly waives, so far as permitted by law, the service of any notice of intention to re-enter provided for in any statute, and Tenant, for and on behalf of itself and all persons claiming through or under Tenant (including but not limited to a leasehold mortgagee or other creditor of a Total Subtenant), also waives any and all right of redemption or re-entry or re-possession or to restore the operation of this lease in case Tenant shall be dispossessed by a judgment or by warrant of any court or judge or in case of re-entry or re-possession by Landlord or in case of any expiration or termination of this lease, subject to the right of a Leasehold Mortgagee or a Total Subtenant or a leasehold mortgagee of a total sublease to obtain a new lease in strict accordance with the provisions of Sections 18.05 and 18.13 hereof. Landlord and Tenant, so far as permitted by law, waive and will waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matters whatsoever arising out of or in any way connected with this lease, the relationship

68

of Landlord and Tenant, Tenant's use or occupancy of said premises, or any claim of injury or damage. The terms "enter", "re-enter", "entry" or "re-entry", as used in this lease are not restricted to their technical legal meaning.

SECTION 19.06. No failure by Landlord to insist upon the strict performance of any covenant, agreement, term or condition of this lease or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of full or partial rent during the continuance of any such breach, shall constitute a waiver of any such breach or of such covenant, agreement, term or condition. No covenant, agreement, term or condition of this lease to be performed or complied with by Tenant, and no breach thereof, shall be waived, altered or modified except by a written instrument executed by Landlord. No waiver of any breach shall affect or alter this lease, but each and every covenant, agreement, term and condition of this lease shall continue in full force and effect with respect to any other then existing or subsequent breach thereof.

SECTION 19.07. In the event of any breach or threatened breach by Tenant of any of the covenants, agreements, terms or conditions contained in this lease, Landlord shall be entitled to enjoin such breach or threatened breach and shall have the right to invoke any right and remedy allowed at law or in equity or by statute or otherwise as through re-entry, summary proceedings, and other remedies were not provided for in this lease.

SECTION 19.08. Each right and remedy of Landlord provided for in this lease shall be cumulative and shall be in addition to every other right or remedy provided for in this lease or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by Landlord of any one or more of the rights or remedies provided for in this lease or

69

now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by Landlord of any or all other rights or remedies provided for in this lease or now or hereafter existing at law or in equity or by statute or otherwise.

SECTION 19.09. Interest at the rate of 6% per annum shall accrue upon any net rent or additional rent payable under this lease during any period while the payment thereof by Tenant may be delayed.

ARTICLE 20

RENEWAL PRIVILEGES

SECTION 20.01. Subject to the provisions of Sections 20.03 and 20.04 hereof, the term of this lease may, at the option of Tenant by written notice to Landlord as herein provided, be renewed and extended as follows:

FIRST RENEWAL TERM--May 31, 1976 to December 30, 1987

SECOND RENEWAL TERM--December 31, 1987 to December 30, 2008

THIRD RENEWAL TERM--December 31, 2008 to December 30, 2029

Any such renewal option shall be exercised by written notice given by Tenant to Landlord at least 12, and not more than 30, months prior to the commencement of the particular renewal term, and (subject to the provisions of Section 20.03 hereof) if such notice shall have so been given and this lease and the Ground Lease shall be in effect on the day next preceding the commencement of such renewal term this lease shall thereupon be automatically renewed for such renewal term.

Each renewal term shall be upon the same terms, covenants and conditions as in this lease provided, except

70

that the net rent for each renewal term shall be Five Hundred Forty Thousand Dollars (\$540,000). There shall be no privilege to Tenant of renewals of the

terms of this lease beyond the Third Renewal Term referred to above. Payment of all additional rent and other charges on the part of Tenant to be made as in this lease provided shall continue to be made during each of such renewal terms. Any termination of this lease shall terminate any right of renewal hereunder.

SECTION 20.02. In the event that Tenant shall fail to exercise its option to renew the term of this lease within the applicable period prescribed in this Article 20, Landlord shall give notice thereof to any Leasehold Mortgagee entitled to notice under Section 18.04 hereof and any such Leasehold Mortgagee may, within 30 days after the giving of such notice, elect that this lease be renewed for the relevant renewal term upon the same terms, covenants and conditions and with the same effect as though such option had been exercised by Tenant as in this Article 20 provided, except that Tenant shall not be the lessee in the renewal lease and shall have no obligations thereunder and the Leasehold Mortgagee shall deliver to Landlord an assumption agreement, executed in recordable form, wherein and whereby such Leasehold Mortgagee or its designee shall assume the performance of all the terms, covenants and conditions of this lease as so renewed.

SECTION 20.03. The attempted exercise by Tenant or a Leasehold Mortgagee, as the case may be, of any option to renew this lease shall not become effective, nor shall any such renewal term be created if either

(a) at the time when notice of the exercise of such option shall be given to Landlord; or

(b) on the day next preceding the purported commencement date of the renewal term; or

71

(c) during the period of 60 days next preceding the last date on which Landlord may notify the Ground Lessor of exercise of its corresponding privilege of renewing the Ground Lease,

a default hereunder shall have occurred, Tenant and such Leasehold Mortgagee shall have been notified thereof, and such default shall not have been cured within the time or times permitted by this lease.

SECTION 20.04. Landlord agrees that if it shall have received a notice of renewal pursuant to this Article, it will, at least 60 days before the expiration of the period within which notice of renewal of the Ground Lease may be effectively given, either

(a) give notice to be Ground Lessor of its election to exercise its corresponding renewal privilege under the Ground Lease, or

(b) give notice to Tenant and any Leasehold Mortgagee to the effect that Landlord does not desire to renew this lease and the Ground Lease.

If Landlord shall fail to give the notice to the Ground Lessor referred to in paragraph (a) of this Section, then and in such event (whether or not the notices referred to in paragraph (b) of this Section shall have been given), Tenant and any Leasehold Mortgagee shall be entitled to exercise the rights of renewal provided for in Paragraph Twelfth of the Ground Lease, and Landlord, if so requested, shall execute a written instrument confirming the permission hereby granted, in which event this lease shall terminate on the expiration of the then current term without obligation on Landlord's part to renew. Notwithstanding the foregoing provisions of this Section, neither Tenant nor any Leasehold Mortgagee shall be entitled to exercise any right to renew the Ground Lease at a time when Tenant is in default hereunder and the foregoing parties shall have received notice thereof.

72

SECTION 20.05. The provisions of Sections 20.02, 20.03 and 20.04 hereof applicable to a Leasehold Mortgagee shall be applicable to a Total Subtenant and to a leasehold mortgagee (including in said term a trustee of a deed of trust securing an issue of bonds or notes issued by the Total Subtenant) of a total sublease; provided, however, that such provisions shall not be applicable to a Total Subtenant if Tenant shall be in default hereunder and such default shall have resulted, directly or indirectly, from a default by such Total Subtenant under its total sublease.

In the event that any Total Subtenant or any leasehold mortgagee of any total sublease shall be entitled to exercise the rights of a Leasehold Mortgagee under Section 20.02 and if, within the 30 day period specified in Section 20.02 more than one election to renew this lease shall have been received by Landlord, priority shall be given (regardless of the order in which such elections shall be made or received) to any Leasehold Mortgagee of this Lease making such election, then to any Total Subtenant making such election and then to any leasehold mortgagee of a total sublease making such election.

SECTION 20.06. If Landlord shall acquire the interest of the Ground Lessor in and to the Demised Premises, Landlord, in addition to its rights and obligations hereunder, shall have the same rights and obligations with respect thereto as the Ground Lessor (including without limitation the right to collect the Ground Rent) as though the Ground Lease was to continue in full force and effect for the duration of the term of this lease, regardless of whether or not the Ground Lease shall have been terminated by cancellation, merger or otherwise after such acquisition. If Tenant or a Total Subtenant shall acquire fee title to the Demised Premises or the Ground Lessor's interest therein, this lease and the Ground Lease shall remain in full force and effect without affecting the obligations of Landlord or Tenant hereunder.

ARTICLE 21

INVALIDITY OF PARTICULAR PROVISIONS

SECTION 21.01. If any term or provision of this lease 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 held invalid or unenforceable, shall not be affected thereby, and each term and provision of this lease shall be valid and be enforced to the fullest extent permitted by law.

ARTICLE 22

NOTICES

SECTION 22.01. All notices, demands and requests required under this lease shall be in writing. All such notices, demands and requests shall be deemed to have been properly given if served personally, or if sent by United States registered mail, postage prepaid, addressed as hereinafter provided. All such notices, demands and requests mailed to Landlord shall be addressed to Landlord at 383 Madison Avenue, New York, N. Y., attention: Treasurer, or at such other address (and addressed to the attention of such officer or other person) as Landlord may from time to time designate by written notice to Tenant. Tenant shall notify any Leasehold Mortgagee or Total Subtenant of any address so designated by Landlord. All such notices, demands and requests mailed to Tenant shall be addressed to Tenant at 60 East 42nd Street, New York, N. Y., c/o Spencer & Iserman, or at such other address in the City and State of New York as Tenant may from time to time designate by written notice to Landlord. All such notices, demands and requests mailed to any Leasehold Mortgagee or Total Subtenant or leasehold mortgagee

of a total sublease shall be addressed to such Leasehold Mortgagee or Total Subtenant or leasehold mortgagee of a total sublease, as the case may be, at the address furnished to Landlord pursuant to the provisions of Article 18 hereof, or to such other address in the City and State of New York as such Leasehold Mortgagee or Total Subtenant or leasehold mortgagee of a total sublease, as the case may be, may from time to time designate by written notice to Landlord.

SECTION 22.02. Notices, demands and requests which shall be served by registered mail upon Landlord, Tenant, any Leasehold Mortgagee or any Total Subtenant or leasehold mortgagee of a total sublease in the manner aforesaid, shall be deemed sufficiently served or given for all purposes hereunder at the time such notice, demand or request shall be mailed by United States registered mail as aforesaid in any Post Office or Branch Post Office regularly maintained by the United States Government in the State of New York.

ARTICLE 23

CONDITION OF AND TITLE TO PROPERTY
QUIET ENJOYMENT

SECTION 23.01. Tenant represents and agrees that the Demised Premises, the title thereto, the sidewalks and structures adjoining the same, any subsurface conditions thereof, and the present uses and non uses thereof, have been examined by Tenant and that Tenant accepts the same in the condition or state in which they or any of them now are, without representation or warranty, express or implied in fact or by law, by Landlord and without recourse to Landlord, as to the title thereto, the nature, condition or usability thereof or the use or uses to which the Demised Premises or any part thereof may be put.

SECTION 23.02. Landlord covenants and agrees that Tenant, upon paying the net rent and all additional rent and other charges herein provided for and observing and keeping all covenants, agreements and conditions of this lease on its part to be observed and kept, shall quietly have and enjoy the Demised Premises during the term of this lease without hindrance or molestation by anyone claiming by, or through Landlord, subject, however, to the exceptions, reservations and conditions of this lease.

SECTION 23.03. In case Landlord shall convey or otherwise dispose of its interest in the Demised Premises, all liabilities and obligations on the part of Landlord under this lease accruing after such conveyance or disposal shall terminate upon such conveyance or disposal, and thereupon all such liabilities and obligations shall be binding upon the new owner of such interest; provided, however, that any funds held by Landlord hereunder in which Tenant has an interest hereunder shall be turned over to the new owner of such interest or, to the extent required by Sections 5.05 or 16.10 hereof, to the trustee or trustees provided for in said Sections.

ARTICLE 24

EXCAVATION AND SHORING

SECTION 24.01. If any excavation shall be made or contemplated to be made for building or other purposes upon property or streets adjacent to or nearby

the Demised Premises, Tenant either

(a) shall afford to the person or persons causing or authorized to cause such excavation the right to enter upon the Demised Premises for the purpose of doing such work as such person or persons shall consider to be necessary to preserve any of the walls or structures of the Building from injury or damage and to support the same by proper foundations, or

76

(b) shall, at Tenant's expense (without hereby waiving any claims against the aforesaid person or persons) do or cause to be done all such work as may be necessary to preserve any of the walls or structures of the Building from injury or damages and to support the same by proper foundations.

Tenant shall not, by reason of any such excavation or work, have any claim against Landlord for damages or indemnity or for suspension, diminution, abatement or reduction of rent under this lease.

ARTICLE 25

ARBITRATION AND APPRAISAL

SECTION 25.01. In any case in which it is provided by the terms of this lease that any matter shall be determined by arbitration (otherwise than pursuant to the Ground Lease), such arbitration shall be conducted in accordance with the rules then obtaining of the American Arbitration Association, and judgment upon the award rendered may be entered in any Court having jurisdiction thereof.

SECTION 25.02. If it shall become necessary, for purposes of Section 16.05 hereof, to determine the appraised value of Landlord's interest in the Demised Premises, such appraisal shall be made in accordance with the provisions of this Section 25.02.

Concurrently with the delivery to Landlord of its notice of election to purchase pursuant to Section 16.05 hereof, Tenant shall appoint a disinterested person of recognized competence in the field as one of the appraisers. Within 10 days thereafter, Landlord shall by written notice to Tenant appoint a second disinterested person of recognized competence in such field as an appraiser. The appraisers thus appointed shall appoint a third disinterested person of recognized competence in such field, and such three

77

appraisers shall as promptly as possible determine such value, provided, however, that

(a) if the second appraiser shall not have been appointed as aforesaid, the first appraiser shall proceed to determine such value; and

(b) if, within 5 days after the appointment of the second appraiser, the two appraisers appointed by the parties shall be unable to agree upon the appointment of a third appraiser, they shall give written notice of such failure to agree to the parties, and, if the parties fail to agree upon the selection of such third appraiser within 5 days after the appraisers appointed by the parties gave notice as aforesaid, then within 5 days thereafter either of the parties upon written notice to the other party hereto may apply for such appointment to the Supreme Court of the State of New York or to any other court having jurisdiction and exercising functions similar to those now exercised by the Supreme Court of the State of New York.

Landlord and Tenant shall each be entitled to present evidence and argument to the appraisers.

The determination of the majority of the appraisers or of the sole appraiser, as the case may be, shall be conclusive upon the parties and judgment upon the same may be entered in any court having jurisdiction thereof. The appraisers shall give written notice to the parties stating their determination, and shall furnish to each party a copy of such determination signed by them.

The expenses of such appraisal shall be borne by Tenant.

In the event of the failure, refusal or inability of any appraiser to act, a new appraiser shall be appointed in his stead, which appointment shall be made in the same manner as hereinbefore provided for the appointment of the appraiser so failing, refusing or unable to act.

78

ARTICLE 26

MISCELLANEOUS

SECTION 26.01. The performance of any of the obligations of Tenant by any subtenant or Total Subtenant shall be accepted as and deemed to be the equivalent of the performance thereof by Tenant.

Landlord agrees, for the benefit of any Total Subtenant, that whenever, pursuant to Section 18.11 hereof, Landlord's consent shall be required for the

taking of any action by such Total Subtenant, such consent shall not be unreasonably withheld if, in accordance with the express provisions of Article 18, Landlord's consent to any corresponding action by Tenant could not be unreasonably withheld. The arbitration of any dispute as to whether any such consent by Landlord has been unreasonably withheld shall constitute the sole remedy available to the Total Subtenant and shall be conducted as provided in Article 25.01 hereof, at the expense of the Total Subtenant.

SECTION 26.02. At any time and from time to time, Landlord, on at least twenty days' prior written request by Tenant, and Tenant, on at least twenty days' prior written request by Landlord, will deliver to the party making such request 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 same is in full force and effect as modified and stating the modifications) and the dates to which the net rent and other charges have been paid and stating whether or not, to the best knowledge of the party executing such certificate, the party requesting such statement is in default in performance of any covenant, agreement or condition contained in this lease and, if so, specifying each such default of which the executing party may have knowledge.

SECTION 26.03. The captions of this lease and the table of contents preceding this lease are for convenience and reference only and in no way define, limit or describe the scope or intent of this lease.

SECTION 26.04. It is the intention of the parties hereto that the estate acquired hereunder by Tenant shall not merge with or into any other estate, whether lesser or greater, in the Demised Premises now held or hereafter acquired by said Tenant or by any disclosed or undisclosed principal of said Tenant.

SECTION 26.05. This lease shall be construed and enforced in accordance with the laws of the State of New York.

SECTION 26.06. The covenants and agreements herein contained shall bind and inure to the benefit of Landlord, its successors and assigns, and Tenant, its legal representatives, successors and assigns, except as otherwise provided herein.

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this lease the day and year first above written.

WEBB & KNAPP, INC.

By ARTHUR J. PHELAN [CORPORATE
Senior Vice-President SEAL]

Attest:

HARRY V. LETT
Secretary

GRAYSLEB CORPORATION

By ARTHUR J. PHELAN [CORPORATE
Senior Vice-President SEAL]

Attest:

HARRY V. LETT
Secretary

MARY F. FINNEGAN (L.S.)
(Mary F. Finnegan)

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

On this 30th day of December, 1957, before me personally came ARTHUR J. PHELAN, to me known and known to me to be Senior Vice President of WEBB & KNAPP, INC., who being by me duly sworn deposes and says: that he resides at 88 Summit Road, Port Washington, N. Y.; that he is Senior Vice President of WEBB & KNAPP, INC., one of the corporations described in and which executed the foregoing instrument and knows the corporate seal thereof; that the seal affixed to the foregoing instrument is the corporate seal of WEBB & KNAPP, INC., and was affixed thereto by authority of the Board of Directors of said corporation, and that he signed his name thereto as Senior Vice President by like authority.

SOL S. SINGER

[SEAL]

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

On this 30th day of December, 1957, before me personally came ARTHUR J. PHELAN, to me known and known to me to be Senior Vice President of GRAYSLEB CORPORATION, who being by me duly sworn deposes and says: that he resides at 88 Summit Road, Port Washington, N. Y.; that he is Senior Vice President of GRAYSLEB CORPORATION, one of the corporations described in and which executed the foregoing instrument, and knows the corporate seal thereof; that the seal affixed to the foregoing instrument is the corporate seal of GRAYSLEB

CORPORATION, and was affixed thereto by authority of the Board of Directors of said corporation, and that he signed his name thereto as Senior Vice President by like authority.

SOL S. SINGER

[SEAL]

81

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

On the 30th day of December, in the year 1957, before me personally came MARY F. FINNEGAN, to me known to be the individual described in, and who executed the foregoing instrument, and acknowledged that she executed the same.

SOL S. SINGER

[SEAL]

82

SCHEDULE A

DESCRIPTION OF GRANT OF TERM

The term "GRANT OF TERM" shall mean the instrument made by and between The New York Central Railroad Company (hereinafter in this Schedule and Schedule B hereto called the "Railroad Company") and New York State Realty and Terminal Company (hereinafter in this Schedule and Schedule B hereto called the "Realty Company"), dated July 30, 1925, and recorded in the Office of the Register of the County of New York (now the Office of the Register of the City of New York in the County of New York) on September 12, 1925, in Liber 3505 of Conveyances, at Page 347

(a) as the same may have been modified by agreements dated October 21, 1927, and November 2, 1938, and recorded in said Register's Office in Liber 3672 of Conveyances at Page 388 and Liber 4278 of Conveyances at Page 217 respectively

(b) as the same was amended, modified and extended by instruments dated April 12, 1944, and recorded in said Register's Office on May 26, 1944, in Liber 4287 of Conveyances, at Page 201, and dated September 28, 1953, and recorded in said Register's Office on October 9, 1953, in Liber 4854 of Conveyances, at Page 370; and

(c) as the same was amended, modified and extended by instrument dated December 30, 1957, which instrument was executed and delivered prior to the execution and delivery of the lease to which this Schedule is annexed.

83

SCHEDULE B

DESCRIPTION OF GROUND LEASE

The term "GROUND LEASE" shall mean the instrument made between the Realty Company, as Lessor, and Eastern Offices, Inc., as Lessee, dated July 30, 1925, and recorded in said Register's Office on September 12, 1925, in Liber 3496 of Conveyances, at Page 183

(a) as the same was modified by agreements dated respectively October 21, 1927, June 19, 1928, and November 2, 1938, and recorded respectively in said Register's Office in Liber 3672 of Conveyances, at Page 388, Liber 3901 of Conveyances, at Page 228, and Liber 4278 of Conveyances, at Page 217,

(b) as the same was further modified and renewed by agreement dated April 5, 1944, and supplemental agreement dated April 5, 1944, and supplemental agreement dated April 12, 1944, and recorded in said Register's Office on May 26, 1944, in Liber 4287 of Conveyances, at Pages 208 and 195, respectively,

(c) as further modified by agreement dated July 20, 1950, and recorded in said Register's Office on August 1, 1950, in Liber 5174 of Conveyances, at Page 265,

(d) as the same was further amended and the term thereof revised and extended by Modified Agreement of Lease made as of January 1, 1953, and recorded in said Register's Office on October 9, 1953, in Liber 4854 of Conveyances, at Page 307;

(e) as the same was further modified, and the term thereof revised and extended, by Modified Agreement of Lease dated December 30, 1957, which instrument was executed and delivered after the instrument referred to in paragraph (c) of Schedule A and prior to the lease to which this Schedule is annexed.

84

SCHEDULE C

SCHEDULE FOR DETERMINATION OF AMOUNTS PAYABLE
TO LANDLORD UNDER SECTION 16.03.

LANDLORD IF
TAKING OCCURS
RECEIVES Prior
to April 1,1958

.....
\$ 18,000,000
Thereafter and
prior to July
1,1958
.....
17,908,683 " " "
" Oct. 1,1958
.....
17,815,990 " " "
" Jan. 1,1959
.....
17,721,900 " " "
" April 1,1959
.....
17,626,391 " " "
" July 1,1959
.....
17,529,442 " " "
" Oct. 1,1959
.....
17,431,032 " " "
" Jan. 1,1960
.....
17,331,138 " " "
" April 1,1960
.....
17,229,739 " " "
" July 1,1960
.....
17,126,810 " " "
" Oct. 1,1960
.....
17,022,330 " " "
" Jan. 1,1961
.....
16,916,275 " " "
" April 1,1961
.....
16,808,621 " " "
" July 1,1961
.....
16,699,345 " " "
" Oct. 1,1961
.....
16,588,421 " " "
" Jan. 1,1962
.....
16,475,824 " " "
" April 1,1962
.....
16,361,531 " " "
" July 1,1962
.....
16,245,514 " " "
" Oct. 1,1962
.....
16,127,749 " " "
" Jan. 1,1963
.....
16,008,208 " " "
" April 1,1963
.....
15,886,865 " " "
" July 1,1963
.....
15,763,692 " " "
" Oct. 1,1963
.....
15,638,663 " " "
" Jan. 1,1964
.....
15,511,749 " " "
" April 1,1964
.....
15,382,922 " " "
" July 1,1964
.....
15,252,153 " " "
" Oct. 1,1964
.....
15,119,412 " " "
" Jan. 1,1965
.....
14,984,670 " " "
" April 1,1965
.....
14,847,897 " " "
" July 1,1965
.....

14,709,063 " " "
 " Oct. 1, 1965

 14,568,135 " " "
 " Jan. 1, 1966

 14,425,082 " " "
 " April 1, 1966

 14,279,874 " " "
 " July 1, 1966

 14,132,476 " " "
 " Oct. 1, 1966

 13,982,856 " " "
 " Jan. 1, 1967

 13,830,980 " " "
 " April 1, 1967

 13,676,815 " " "
 " July 1, 1967

 13,520,326

LANDLORD IF
 TAKING OCCURS
 RECEIVES

Thereafter
 and prior to
 Oct. 1, 1967

.....
 13,361,478 "
 " " " Jan. 1,
 1968

 13,200,235 "
 " " " April
 1, 1968

 13,036,562 "
 " " " July 1,
 1968

 12,870,421 "
 " " " Oct. 1,
 1968

 12,701,775 "
 " " " Jan. 1,
 1969

 12,530,587 "
 " " " April
 1, 1969

 12,356,819 "
 " " " July 1,
 1969

 12,180,430 "
 " " " Oct. 1,
 1969

 12,001,383 "
 " " " Jan. 1,
 1970

 11,819,637 "
 " " " April
 1, 1970

 11,635,150 "
 " " " July 1,
 1970

 11,447,883 "
 " " " Oct. 1,
 1970

 11,257,793 "
 " " " Jan. 1,
 1971

 11,064,836 "
 " " " April
 1, 1971

 10,868,971 "
 " " " July 1,
 1971

10,670,154 "
" " " Oct. 1,
1971
.....
10,468,339 "
" " " Jan. 1,
1972
.....
10,263,482 "
" " " April
1, 1972
.....
10,055,536 "
" " " July 1,
1972
.....
9,844,456 " "
" " " Oct. 1,
1972
.....
9,630,194 " "
" " " Jan. 1,
1973
.....
9,412,701 " "
" " " April 1,
1973
.....
9,191,930 " "
" " " July 1,
1973
.....
8,967,831 " "
" " " Oct. 1,
1973
.....
8,740,353 " "
" " " Jan. 1,
1974
.....
8,509,446 " "
" " " April 1,
1974
.....
8,275,059 " "
" " " July 1,
1974
.....
8,037,137 " "
" " " Oct. 1,
1974
.....
7,795,629 " "
" " " Jan. 1,
1975
.....
7,550,481 " "
" " " April 1,
1975
.....
7,301,636 " "
" " " July 1,
1975
.....
7,049,041 " "
" " " Oct. 1,
1975
.....
6,792,637 " "
" " " Jan. 1,
1976
.....
6,532,368 " "
" " " April 1,
1976
.....
6,268,176 " "
" " " June 1,
1976
.....
6,000,000

1957 DEC 31 PM 12 : 18

C 7401

4079101

[SEAL]
[SEAL]
[SEAL]

OPERATING LEASE
BETWEEN

[SEAL]

MARY F. FINNEGAN
AS SUBLESSOR
AND
ROSE IACOVONE
AS SUBLESSEE

B9400

[SEAL]

[SEAL]

Dated, December 30, 1957.

OFFICE OF CITY REGIS?
New York County
RECORDED IN DEEDS
Witness my hand
and official seal

/s/ [ILLEGIBLE]
CITY REGISTE?

[SEAL]

Land affected by the within
instrument lies in Section 5,
Block 1280 on the Land Map
of the County of New York.

RECORDED AT REQUEST OF
TITLE GUARANTEE AND TRUST COMPANY
Ref. to ? Jackson Sillcocks, Esq.
383 Madison Avenue
New York 17, New York.

TABLE OF CONTENTS

PAGE ARTICLE 1. Definitions, Demise and Initial Term 1

ARTICLE 2. Rent 6

ARTICLE 3. Payment of Taxes, Assessments, etc. 16

ARTICLE 4. Surrender 22

ARTICLE 5. Insurance 23

ARTICLE 6. Sublessor's Right to Perform Sublessee's Covenants 28

ARTICLE 7. Repairs and Maintenance of the Property, Steam and Electricity 30

ARTICLE 8. Compliance with Laws, Ordinances, etc. 33

ARTICLE 9. Changes and Alterations 35

ARTICLE 10. Discharge of Liens 38

ARTICLE 11. Use of Property 40

PAGE ARTICLE 12. Subordination to Prior Leases and Compliance Therewith 41

ARTICLE 13. Entry on

Property by Sublessor, etc.

42 ARTICLE 14. Indemnification of Sublessor
..... 43 ARTICLE 15.
Damage or Destruction
..... 45 ARTICLE
16. Condemnation
..... 49
ARTICLE 17. Vault Space
..... 53
ARTICLE 18. Mortgages, Assignments, Subleases and
Transfers of Sublessee's Interest
..... 54 ARTICLE 19.
Conditional Limitations--Default Provisions
..... 66 ARTICLE 20. Renewal Privileges
..... 73
ARTICLE 21. Invalidity of Particular Provisions
..... 76 ARTICLE 22. Notices
.....
77 ARTICLE 23. Condition of and Title to Property, Quiet
Enjoyment 78

CON 5024 PAGE 525

TABLE OF CONTENTS

iii

PAGE ARTICLE 24. Excavation and Shoring
..... 79
ARTICLE 25. Arbitration
.....
79 ARTICLE 26. Miscellaneous
.....
80 SCHEDULES: A. Description of Grant of Term
..... 84 B. Description of
Ground Lease 85 C.
Description of Mesne Lease
..... 86

CON 5024 PAGE 526

THIS LEASE, dated the 30th day of December, 1957, between MARY F. FINNEGAN, residing at 33-15 74th Street, Jackson Heights, New York, (hereinafter called the "Sublessor") and ROSE IACOVONE, residing at 51 Bank Street, New York, N. Y. (hereinafter called the "Sublessee");

W I T N E S S E T H :

ARTICLE 1

DEFINITIONS, DEMISE AND INITIAL TERM

That for purposes of this lease, unless the context otherwise requires:

- (a) the term "Grant of Term" shall mean the instrument described in Schedule A annexed hereto;
- (b) the term "Ground Lease" shall mean the instrument described in Schedule B annexed hereto;
- (c) the term "Ground Lessor" shall mean the lessor under the Ground Lease, and the term "Ground Lessee" shall mean the lessee under the Ground Lease;
- (d) the term "Ground Rent" shall mean the rental payable under the Ground Lease and therein defined as the "Ground Rental";
- (e) the term "Building" shall have the meaning ascribed thereto in the Ground Lease;
- (f) the term "Demised Premises" shall mean the premises in the Borough of Manhattan, City and State of New York, demised by the Ground Lease, located generally on the westerly side of Lexington Avenue (beginning at a point 253 feet 4 inches northerly of 42nd Street) and known as the Graybar Building and by the street address 420 Lexington Avenue, together with any easements and other rights demised or otherwise provided for the benefit of the Ground Lessee under the Ground Lease;

CON 5024 PAGE 527

2

- (g) the term "Mesne Lease" shall mean the instrument described in Schedule C annexed hereto;
- (h) the term "Landlord" shall mean the landlord under the Mesne Lease and the term "Tenant" shall mean the tenant under the Mesne Lease;
- (i) the term "Net Rent" shall mean the net annual rental payable under the Mesne Lease and therein defined as the "net rent";

(j) the term "Sublessee" shall mean the sublessee named herein, and from and after any valid assignment of the whole of sublessee's interest in this lease pursuant to the provisions hereof, shall mean only the assignee thereof;

(k) the term "Sublessor" shall mean only the tenant for the time being under the Mesne Lease;

(l) the term "Railroad Company" shall mean the New York Central Railroad Company or its successors or assigns as grantor under the Grant of Term;

(m) the term "subtenant" shall mean any tenant or licensee of any space in the Demised Premises (other than Landlord, Sublessor and Sublessee); the term "sublease" shall mean any lease (other than this lease or the Ground Lease or the Mesne Lease) or other agreement for the use and occupancy of any such space; the term "subrent" shall mean any rent or other charge for such use or occupancy under a sublease; the term "existing sublease" shall mean any sublease made before the date of this lease; and the term "future sublease" shall mean any sublease made on or after said date;

(n) the term "major sublease" shall mean any sublease having a term (including renewal options) of 6 years or more or providing for a fixed subrent at the rate of \$50,000 or more per annum during any year of the term thereof. For purposes of this definition, any

CON 5024 PAGE 528

3

two or more subleases with the same person, as subtenant, shall be deemed to be a single sublease providing for a fixed subrent at the aggregate rate per annum specified in such leases;

(o) the term "term of this lease" or words of similar import shall mean the initial term and any renewal term which has become effective;

(p) the term "Leasehold Mortgagee" shall mean the holder of a mortgage on this lease or the trustee under a deed of trust of this lease securing bonds or notes issued by Sublessee, and the term "Leasehold Mortgage" shall mean any such mortgage or deed of trust;

(q) the term "Mesne Leasehold Mortgage" shall be deemed to mean that certain mortgage on Sublessor's interest in the Mesne Lease, dated December 30, 1957 to be made by Lawrence A. Wien (to whom Sublessor will assign the Mesne Lease following the execution and delivery of this lease) to Webb & Knapp, Inc. and Graysler Corporation.

That Sublessor is the Tenant under the Mesne Lease; and

That Sublessor, for and in consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of Sublessee, its successors and assigns, to be paid, kept and performed, does hereby demise and lease to Sublessee, and Sublessee does hereby take and hire from Sublessor, the Demised Premises,

SUBJECT, however, to the following:

(1) the Grant of Term;

(2) the Ground Lease;

(3) the Mesne Lease;

(4) the Mesne Leasehold Mortgage, when the same shall be executed and delivered;

CON 5024 PAGE 529

4

(5) state of facts shown on the survey made by George C. Hollerith, dated March 4, 1927, and of J. George Hollerith, dated March 28, 1944 (using lines of plot set forth in record description) drawn and redated to June 1, 1950 by Charles J. Dearing and redated by Earl B. Lovell-S. P. Belcher, Inc., as of September 18, 1953, redated November 10, 1955 by Charles J. Dearing and redated by Charles J. Dearing May 24, 1957, and any additional state of facts which an inspection and more recent accurate survey would show;

(6) easements granted to the City of New York by instrument recorded in the Office of the Register of the County of New York in Liber 193, Section 5 of Conveyances, page 38, as amended by instrument recorded in said Register's Office in Liber 191, Section 5 of Conveyances, page 478; and restrictive agreement recorded in said Register's Office in Liber 3850 of Conveyances, page 488, as modified by agreements set forth in instruments recorded, respectively, in said Register's Office in Liber 3932 of Conveyances, page 131, and Liber 3983 of Conveyances, page 380;

(7) Imposition (as defined in Article 3 hereof), accrued or unaccrued, fixed or not fixed;

(8) revocable nature of any rights, easements, licenses or privileges to use vaults, areas, tunnels, ramps or structures under streets,

avenues or side-walks on which the Demised Premises abut;

(9) consents or grants prior to the date of this lease for the erection of any structures on, under or above said streets or avenues and grants, licenses or consents, if any, with respect to public utility lines and equipment;

(10) right to maintain elevators from the Newsreel Theatre beneath the Demised Premises, as provided in lease recorded in Liber 3944 of Conveyances, page 417,

CON 5024 PAGE 530

5

as modified by instrument recorded in Liber 4407 of Conveyances, page 477;

(11) existing subleases and the rights of the subtenants thereunder, it being intended that the leasehold estate of Sublessee created by this lease shall be subject and subordinate to the leasehold estates of said subtenants created by said subleases, notwithstanding the provisions of any clause in any such sublease purporting to subordinate such sublease and the rights of the subtenant thereunder to ground or underlying leases, and Sublessor, subject to the provisions of Section 18.10 of the Mesne Lease, hereby assigns to Sublessee for the term of this lease all its right, title and interest in and to such existing subleases and (subject to any existing assignments thereof) the rents and profits due or to become due to Sublessor under the provisions thereof;

(12) building restrictions and regulations in resolution or ordinance adopted by Board of Estimate and Apportionment of the City of New York, on July 25, 1916, and the amendments and additions thereto, now in force;

(13) present and future zoning laws, ordinances, resolutions and regulations of the City of New York and all present and future ordinances, laws, regulations and orders of all boards, bureaus, commissions and bodies of any municipal, county, state or federal sovereigns now or hereafter having or acquiring jurisdiction of the Demised Premises and the use and improvement thereof;

(14) revocable nature of the right, if any, to maintain marquees or signs, beyond the building lines;

(15) the effect of all present and future municipal, state and federal laws, orders and regulations relating to Sublessee and to all subtenants, their rights and rentals to be charged for the use of the Demised Premises or any portion or portions thereof;

CON 5024 PAGE 531

6

(16) violations of law, ordinances, orders or requirements that might be disclosed by an examination and inspection or search of the Demised Premises by any federal, state or municipal departments or authority having jurisdiction, as the same may exist on the date of the commencement of the term of this lease;

(17) the condition and state of repair of the Demised Premises as the same may be on the date of the commencement of the term of this lease;

(18) any defects of title or encumbrances of record or encroachments, existing at the date of the commencement of the term of this lease;

TO HAVE AND TO HOLD the same, subject as aforesaid, unto Sublessee and, subject to the provisions hereof, its successors and assigns, for an initial term of eighteen years, five months and two days commencing on December 30, 1957, and expiring on May 29, 1976, unless this lease shall sooner terminate as hereinafter provided.

This lease is made upon the following covenants, agreements, terms, provisions, conditions and limitations, all of which Sublessee covenants and agrees to perform and observe:

ARTICLE 2

RENT

SECTION 2.01. Sublessee covenants and agrees to pay to Sublessor, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, at Sublessor's address specified in or furnished pursuant to Section 22.01 hereof, during the aforesaid initial term, a net rental (hereinafter referred to as the "basic rent") as follows:

CON 5024 PAGE 532

7

(a) For the period from the date of the commencement of the term hereof until January 1st, 1958, the sum of Seven Hundred Thirty Nine and 78/100 Dollars

(\$739.78) per day, which basic rent for said entire period from the date of the commencement of the term hereof to January 1st, 1958 shall be paid on the date of commencement of the term of this lease.

(b) For the period January 1st, 1958 to and including the day on which the Mesne Leasehold Mortgage is paid in full, the sum of Two Hundred Seventy Eight Thousand Dollars (\$278,000) annually, in equal monthly installments of Twenty Three Thousand One Hundred Sixty Six and 67/100 Dollars (\$23,166.67), each in advance on the first day of each calendar month during said period.

(c) For the period commencing on the day following the day on which the Mesne Leasehold Mortgage is paid in full, and ending on December 31st, 1972, the sum of Five Hundred Thirty Thousand Dollars (\$530,000) annually, in equal monthly installments of Forty Four Thousand One Hundred Sixty Six and 67/100 Dollars (\$44,166.67), each in advance on the 1st day of each calendar month during said period, the first such installment, however, to be subject to adjustment in the event that said Mortgage shall be paid in full on a day other than the last day of a month.

(d) For the period January 1st, 1973 to May 29, 1976, the sum of Five Hundred Twenty Thousand Dollars (\$520,000) annually in equal monthly installments of Forty Three Thousand Three Hundred Thirty Three and 34/100 Dollars (\$43,333.34), each in advance on the 1st day of each calendar month during said period.

SECTION 2.02. Sublessee shall also pay to Sublessor, in like coin or currency, at said address, as additional rent for each calendar year during the term of this lease, commencing on January 1st, 1958, a sum (hereinafter referred to as "overage rent") equal to one-third of the annual net income in excess of the amounts hereinafter set forth

CON 5024 PAGE 533

8

(which amounts are hereinafter referred to as "minimum net income") derived by Sublessee from the operation of the Demised Premises as Sublessee under this lease:

During the period January 1st, 1958 to
December 31st, 1972 \$ 2,750,000

During the period commencing January 1st, 1973 and
ending at the expiration of the term of this lease and
all renewals thereof \$ 2,740,000

The term "annual net income" shall mean the net income for any calendar year derived by Sublessee from the leasehold estate created by this lease, determined in the following manner:

(1) The gross income derived from the Demised Premises shall be computed for each such calendar year on an accrual basis, in accordance with generally accepted accounting principles consistently applied, and shall include all income received from all sources whatsoever as a result of the operation of the Demised Premises, including any and all net refunds, rebates and recoveries of items previously charged as an expense (after deducting therefrom necessary expenses incurred in recovering same), but not including any refunds, rebates or recoveries of items not previously charged or deductible as an expense. Gross income, however, shall not include the proceeds from any loan or financing, or any proceeds from the sale of this lease and the leasehold estate created hereby. The proceeds of any insurance recovery arising from damage or destruction shall be included in gross income, but only as and when the repairs or restoration of such damage or destruction shall have been completed, and then only to the extent that such proceeds exceed the cost of such repairs or restoration.

CON 5024 PAGE 534

9

(2) From the amount of such gross income for such calendar year, as provided in the foregoing paragraph (1), there shall be deducted the aggregate of the following: (i) the Ground Rent; (ii) management fees of a managing agent (or, if the demised premises are operated directly by Sublessee, an amount equal to such fees) not to exceed the regular rates then recommended by the Real Estate Board of New York, Inc.; (iii) leasing commissions (or, if there shall be no such commission payable in connection with the making of any lease, an amount equal to the commission that would have been payable to a broker for procuring such lease) not to exceed the regular rates then recommended by the Real Estate Board of New York, Inc.; (iv) cost of alterations for subtenants; (v) cost of capital improvements (other than alterations for subtenants); (vi) wages and salaries paid to building employees engaged in the operation and maintenance of the demised premises, including, but not limited to, any vacation pay, hospitalization and contributions to welfare funds pursuant to customary agreements with such employees or their representatives or required by law or governmental regulations; (vii) insurance premiums with respect to insurance policies required to be carried pursuant to Article 5 of this lease, and with respect to all other types of insurance, including compensation insurance, deemed

proper by Sublessee and which may be reasonably approved by Sublessor, to cover any hazard against which Sublessee should be insured in connection with the kind of real estate referred to herein; (viii) all Impositions payable by Sublessee pursuant to Article 3 of this lease; (ix) uncollectible amounts due from subtenants; (x) sales taxes paid and other taxes paid to governmental agencies with respect to utilities and payrolls of building employees referred to in item (vi) above; (xi) advertising expenses in connection with offering for rent specific space in the Demised

CON 5024 PAGE 535

10

Premises; (xii) reasonable fees for legal services incurred in connection with occupancy or collection of income and for accounting services in connection with the preparation of the annual reports hereinafter required to be submitted to Landlord and to Sublessor; (xiii) interest on loans incurred in connection with and used to pay for improvements made to the demised premises, together with the reasonable expenses of procuring such loans; and (xiv) any other necessary expenses in connection with the operation of the demised premises, properly chargeable against income, and not hereinafter expressly excluded. All amounts deducted under this paragraph (2) shall be computed on an accrual basis, in accordance with generally accepted accounting principles consistently applied.

(3) There shall in no event, however, be deducted from gross income the following: (i) depreciation, depletion, obsolescence or amortization of the cost of, or any value attributed to, the leasehold estate created hereby; (ii) any taxes which may be paid which are not defined as Impositions in Article 3 hereof or deductible under clause (x) of the foregoing paragraph (2); (iii) basic rent, Net Rent and overage rent, and (iv) cost of repairs or restoration to the extent of insurance recovery.

(4) Anything to the contrary notwithstanding, the amount of the deductions in each calendar year enumerated as items (iii), (iv), (v) and (vii) in paragraph (2) above, shall be computed as follows:

"Leasing commissions"--proratably over the terms of the respective leases.

"Cost of alterations for subtenants"--proratably over the terms of the respective leases.

"Cost of capital improvements"--proratably over the useful life of such improvement or a term of ten years, whichever is lesser.

CON 5024 PAGE 536

11

"Insurance premiums"--proratably over the terms of the respective policies.

(5) If, during any calendar year, Sublessee shall make any cash payments for expenses incurred during such year on account of any of the items specified in (iv) and (v) of paragraph (2) of this Section 2.02, and the total of such cash payments is in excess of: (a) the aggregate of the deductions permitted to Sublessee under paragraph (2) of this Section 2.02 hereof on account of such expenses, plus (b) the proceeds of any financing arranged for or in connection with any such expenses, then any amount which (except for the provisions of this paragraph (5) of this Section 2.02) would otherwise have been the overage rent calculated for such calendar year under Section 2.02 shall be reduced by that portion of said amount which is equal to one-third (1/3) of said excess of such cash payments (or by said amount itself, whichever is the lesser), and the remainder of said amount, if any, shall be paid as overage rent for such calendar year pursuant to this Section 2.02. One-fifth (1/5) of the amount of such reduction shall be overage rent for each of the five (5) succeeding calendar years, and shall be payable to Sublessor, together with any other overage rent which may be payable pursuant to this Section 2.02 for such succeeding years, on the first day of April of each such year.

(6) Sublessee shall submit to Sublessor on or before April 1st of each year, commencing April 1, 1959, a certified report prepared by independent public accountants of recognized standing showing the net income, as defined herein, and the calculation specified in paragraph (5) of this Section 2.02 hereof, for the preceding calendar year, and at the time of submitting such report shall pay to Sublessor the overage rent under this Section 2.02 shown to be due by such report.

CON 5024 PAGE 537

12

(7) Sublessee shall maintain suitable books of account at the address to which notices are required to be addressed by Sublessor to Sublessee as hereinafter in Article 22 set forth; and the same as to each year shall be available for inspection and audit by Sublessor or its agents at any reasonable time during or within six (6) months after the expiration of each respective calendar year. Nothing in this Section or

in any other portion of this lease shall be construed to imply that the relationship of Sublessor and Sublessee is other than that of landlord and tenant.

(8) For purposes of the calculation to be made under this Section 2.02, each calendar year shall be regarded as independent of any other calendar year during the term of this lease; so that the amount, if any, by which the net income in any calendar year was less than the minimum net income for that year shall not be treated as a deduction or credit in the computation of net income or overage rent for any other calendar year.

(9) Any dispute with respect to the provisions of this Section 2.02 shall be submitted to and determined by arbitration in accordance with the provisions of Article 25 hereof.

SECTION 2.03. Sublessee shall deposit under the terms of Section 2.05 hereof, at least one calendar month before same shall become due under the Ground Lease, a sum or sums equal to the Ground Rent as same may be fixed from time to time pursuant to the provisions of the Ground Lease (except that an amount equal to the Ground Rent due under the Ground Lease on January 1, 1958 shall be so deposited by certified check of Sublessee on January 2, 1958, and Sublessee shall not be entitled to the benefit of any grace period provided for in Section 19.01 hereof with respect to the making of such deposit), provided, however, that Sublessor may, by written notice, require

CON 5024 PAGE 538

13

Sublessee from time to time to pay the Ground Rent directly to the Ground Lessor on or before the due date thereof, in which event Sublessee shall promptly furnish proof reasonably satisfactory to Sublessor of the payment thereof. To the extent that it shall be permissible under the Ground Lease and the Mesne Lease, Sublessee may, without expense to Sublessor, participate in any arbitration or other proceeding by which the Ground Rent is fixed.

SECTION 2.04. Sublessee shall also deposit under the terms of Section 2.05 hereof, at least one calendar month before same shall become due under the Mesne Lease, a sum or sums equal to the Net Rent, as same may be fixed from time to time pursuant to the provisions of the Mesne Lease (except that an amount equal to the Net Rent due under the Mesne Lease on January 1, 1958 shall be so deposited by certified check of Sublessee on January 2, 1958, and Sublessee shall not be entitled to the benefit of any grace period provided for in Section 19.01 hereof with respect to the making of such deposit), provided, however, that Sublessor may, by written notice, require Sublessee from time to time to pay the Net Rent directly to Landlord on or before the due date thereof, in which event Sublessee shall promptly furnish proof reasonably satisfactory to Sublessor of the payment thereof.

SECTION 2.05. All sums to be deposited by Sublessee pursuant to Sections 2.03, 2.04 and 3.02 of this lease shall be deposited by Sublessee with an attorney or attorneys (hereinafter called "Escrow Agent") to be selected by Sublessor, to be held in escrow by such Escrow Agent in a special account in a bank or trust company which is a member of the New York Clearing House Association, upon the following terms and conditions:

(a) Such sums shall be paid over by the Escrow Agent, in accordance with the terms of the Mesne Lease, only to the Ground Lessor, Landlord or the taxing authority, as the case may be, in payment of the Ground Rent, Net Rent

CON 5024 PAGE 539

14

and real estate taxes for the payment of which said sums were deposited.

(b) In the event of a default by Sublessor as Tenant under the Mesne Lease resulting in a termination of said Mesne Lease, then, unless such default shall have resulted directly or indirectly from a default hereunder either by Sublessee or caused by any subtenant, all sums held by said Escrow Agent shall be returned to Sublessee.

(c) In the event of the expiration or the sooner termination of this lease in accordance with its provisions, unless such termination shall have resulted directly or indirectly from a default hereunder either by Sublessee or caused by any subtenant, said Escrow Agent shall refund to Sublessee so much of the sums then held by it as shall have been deposited by Sublessee on account of (A) any installment or installments of Ground Rent and Net Rent which are not then due and payable to Ground Lessor and/or Landlord under the terms of the Mesne Lease and (B) either (i) the last two tax deposits made pursuant to Section 3.02 hereof, if such expiration or sooner termination shall occur during the months of January, February, March, June, July, August, September or December, or (ii) the last tax deposit so made, if such expiration or sooner termination shall occur during the months of May or November; provided, however, that if such expiration or sooner termination shall occur during the months of April or October, no refund of any tax deposits shall be made. If the tax fiscal year ending June 30 presently used by The City of New York shall be changed, an appropriate adjustment shall be made in the foregoing.

In the event of an assignment, sale or other transfer of Sublessor's interest in this lease and the Mesne Lease after December 31, 1958, any sums held by the Escrow Agent shall thereupon be delivered, subject to the provisions of this Section 2.05, to an attorney or attorneys selected by the assignee or transferee and approved by Sublessee, which approval shall not be unreasonably

Sublessor and Sublessee agree that, except for a wilful or negligent violation of the terms of the escrow deposit, the Escrow Agent shall not be responsible or liable to any person for the care or safekeeping or application of the funds deposited with it, and that Escrow Agent shall not be liable for any interest on said funds.

SECTION 2.06. It is the purpose and intent of Sublessor and Sublessee that the basic rent and overage rent shall be net to Sublessor, so that this lease shall yield, net, to Sublessor the basic rent specified in Section 2.01 hereof in each year during the initial term of this lease, the basic rent specified in Article 20 hereof in each year during each renewal term hereof, and the overage rent specified in Section 2.02 hereof during each year of the initial term and each renewal term hereof if renewed as provided in said Article 20, and that all costs, expenses and charges of every kind and nature relating to the Demised Premises (except the taxes of Sublessor referred to in Section 3.02 of Article 3 hereof and any payments on account of interest or principal under any mortgage or deed of trust which shall be a lien on the fee of the premises of which the Demised Premises are a part, or on the estate created by the Grant of Term, on the leasehold estate created by the Ground Lease or on the leasehold estate created by the Mesne Lease) which may arise or become due during or out of the term of this lease shall be paid by Sublessee, and that Sublessor shall be indemnified and saved harmless by Sublessee from and against the same.

SECTION 2.07. The basic rent, overage rent, Net Rent and Ground Rent shall be paid or deposited without notice or demand and without abatement, deduction or set-off, except as otherwise expressly provided in this lease.

SECTION 2.08. All sums (other than the basic rent) which may be or become due and payable or are to be

deposited by Sublessee pursuant to any provision of this lease shall be deemed to be additional rent hereunder and, except as in this lease otherwise expressly provided, shall be paid or deposited without notice or demand and without abatement, deduction or setoff, and, upon the failure of Sublessee to pay or deposit any such sums, then, at the option of Sublessor, the same may be added to any installment of basic rent then due or thereafter becoming due; and Sublessor shall have the same rights and remedies in the event of the non-payment or non-deposit thereof by Sublessee as in the case of default in the payment of basic rent.

ARTICLE 3

PAYMENT OF TAXES, ASSESSMENTS, ETC.

SECTION 3.01. Subject to the provisions of Sections 3.03 and 3.05 hereof, Sublessee shall pay or deposit, at the times and in the manner hereinafter specified, all amounts payable by Tenant pursuant to Section 3.01 of the Mesne Lease in respect of taxes, charges, assessments and water and sewer rents; and Sublessee shall also pay before any fine, penalty, interest or cost may be added thereto, or become due or be imposed by operation of law for the nonpayment thereof, any and all other taxes, assessments, rents, rates, charges for public utilities, excises, levies, vault and all other license and permit fees and other governmental charges, general and special, ordinary and extraordinary, unforeseen and foreseen, of any kind and nature whatsoever, which at any time prior to or during the term of this lease may be assessed, levied, confirmed, imposed upon, or grow or become due and payable out of or in respect of, or become a lien on, the Demised Premises or any part thereof or any appurtenance thereto, the income received from subtenants, any use or occupation of the Demised Premises, and such franchises as may be appurtenant to the use of the Demised Premises,

this transaction or any document to which Sublessee is a party creating or transferring an interest or estate in the Demised Premises, and any document heretofore executed and delivered creating or transferring the interest of Landlord or Sublessor in the Demised Premises (all such taxes, assessments, rents, rates, excises, levies, fees and other charges being hereinafter referred to as "Impositions", and any of the same being hereinafter referred to as an "Imposition").

SECTION 3.02. All Impositions payable by Sublessee hereunder, other than real estate taxes, shall be paid by Sublessee (a) to Sublessor at least 15 days before the date on which the same shall become payable by Sublessor to Landlord pursuant to Article 3 of the Mesne Lease, or (b) if permitted by the Mesne Lease, directly to the governmental authority to which said Imposition is payable, on or before the last day on which the same may be paid without penalty.

Sublessee's obligations with respect to the payment of real estate taxes shall be discharged in the following manner: On January 2, 1958 Sublessee shall

deposit with the Escrow Agent by certified check of Sublessee a sum equal to one-quarter of that portion of the real estate taxes for the tax year 1957-1958 which is required to be paid pursuant to the terms of the Mesne Lease, with respect to which deposit Sublessee shall not be entitled to the benefit of any grace period provided for in Section 19.01 hereof. On February 1st, 1958 and on the 1st day of each month thereafter, Sublessee shall deposit with the Escrow Agent a sum equal to one-twelfth of that portion of the real estate taxes for the then current tax year which is required to be paid pursuant to the Mesne Lease or, in the event that the amount of such real estate taxes shall not then have been fixed, such deposit shall be based upon real estate taxes for the preceding tax year. The Escrow Agent shall pay out of the money so deposited the portion of real estate taxes payable under the Mesne Lease pursuant to Article 3

CON 5024 PAGE 543

18

thereof, and the Escrow Agent will furnish to Sublessee, promptly after such payment, reasonable proof thereof. In the event that the accumulated monthly deposits shall be insufficient to pay any portion of such real estate taxes under the Mesne Lease at least thirty days prior to the date when the same shall become due and payable thereunder, Sublessee shall, immediately upon demand, deposit with the Escrow Agent an additional sum which, when added to such accumulated deposits, shall be sufficient to pay such real estate taxes. Any excess of such deposits in the hands of the Escrow Agent immediately after such payment under the Mesne Lease shall be credited on account of the next monthly deposit.

SECTION 3.03. Nothing herein contained shall require Sublessee to pay income taxes or corporation franchise or excess profits taxes or estate, inheritance, succession or transfer taxes or capital levies assessed against or imposed upon Sublessor; provided, however, that if at any time during the term of this lease the methods of taxation prevailing at the commencement of the term hereof shall be altered so as to cause the whole or any part of the taxes, assessments, levies, impositions or charges now or hereafter levied, assessed or imposed on real estate and the improvements thereon to be levied, assessed and imposed wholly or partially on the rents received therefrom, or to be measured by or based, in whole or in part, upon the Demised Premises and imposed upon Sublessor, then all such taxes, assessments, levies, impositions or charges, or the part thereof so levied, assessed, imposed, measured or based, shall be deemed to be included within the term "Impositions" for the purposes hereof, to the extent that such Impositions would be payable if the Demised Premises were the only property of Sublessor subject to such Impositions, and Sublessee shall pay and discharge the same as herein provided in respect of the payment of Impositions.

CON 5024 PAGE 544

19

Nothing herein shall require Sublessee to pay any portion of the Impositions in respect of the Demised Premises which shall be payable by the Ground Lessor except to the extent that Sublessor, as Tenant under the Mesne Lease shall be obligated to pay, or reimburse the Landlord for the payment of, the same.

SECTION 3.04. Sublessor may, by written notice, require Sublessee, from time to time, in lieu of making monthly deposits pursuant to Section 3.02 hereof, to pay directly to the Ground Lessor on or before the due date thereof all amounts payable to Ground Lessor in respect of Impositions pursuant to Paragraph First of the Ground Lease. Sublessee will furnish to Sublessor, promptly after payment thereof, receipts for all Impositions paid by Sublessee pursuant to this Article to persons other than Sublessor. Sublessor will deliver to Sublessee copies of any bills or notices received by Sublessor with respect to any Impositions payable by Sublessee. To the extent that same is permissible under the Ground Lease and the Mesne Lease, Sublessee may, at its sole cost and expense, participate in any arbitration proceeding held pursuant to Paragraph First of the Ground Lease for the purpose of determining, the proportion of any imposition payable by the Ground Lessor, and the portion thereof payable by the Ground Lessee.

SECTION 3.05. Sublessee shall have the right to contest the amount or validity, in whole or in part, of any Imposition by appropriate proceedings diligently conducted in good faith and (if payment of such Imposition would operate as a bar to such contest or interfere materially with the prosecution thereof) may postpone or defer payment of such Imposition, provided that

(a) neither the Demised Premises nor any part thereof would, by reason of such postponement or deferment, be in danger of being forfeited or lost,

CON 5024 PAGE 545

20

(b) such contest (if in respect of any Imposition payable under the Mesne Lease) shall be permitted by the Mesne Lease and Sublessee shall furnish all security and indemnities as are required under the Mesne Lease to be furnished by Tenant under such circumstances,

(c) such postponement or deferment (if in respect of any Imposition payable under the Mesne Lease) will entitle Sublessor, as Tenant, to a

corresponding postponement or deferment under the Mesne Lease, and

(d) in case of any such postponement or deferment, Sublessee shall have deposited with Sublessor the amount so contested and unpaid, together with all interest and penalties in connection therewith and all charges that may or might be assessed against or become a charge on the Demised Premises or any part thereof in such proceedings, or shall have furnished to Sublessor security reasonably satisfactory to Sublessor sufficient to cover said amount, interest, penalties and charges.

Upon the termination of any such proceedings, Sublessee shall pay the amount of such Imposition or part thereof as finally determined in such proceedings, the payment of which may have been deferred during the prosecution of such proceedings, together with any costs, fees, interest, penalties or other liabilities in connection therewith, and, upon such payment, Sublessor shall return, without interest, any amount deposited with it with respect to such Imposition as aforesaid, or, at the written request of Sublessee, Sublessor shall make available to Sublessee, upon such reasonable conditions as Sublessor may prescribe, the amount of such deposit for the making of such payment as aforesaid. If, at any time during the continuance of such proceedings, Sublessor shall deem any amount deposited as aforesaid insufficient, Sublessee shall, upon

CON 5024 PAGE 546

21

demand, make an additional deposit, as aforesaid, of such additional sum as Sublessor reasonably may request, and upon failure of Sublessee so to do, the amount theretofore deposited may be applied by Sublessor to the payment, removal and discharge of such Imposition, and the interest and penalties in connection therewith and any costs, fees or other liability accruing in any such proceedings, and the balance, if any, shall be returned to Sublessee.

SECTION 3.06. Sublessor shall not be required to join in any proceedings referred to in Section 3.04 hereof unless the Mesne Lease or the provisions of any applicable law, rule or regulation at the time in effect shall require that such proceedings be brought by and/or in the name of Sublessor, in which event Sublessor shall join in such proceedings or permit the same to be brought in its name. Sublessor shall not ultimately be subjected to any liability for the payment of any costs or expenses in connection with any such proceedings, and Sublessee shall indemnify and save harmless Sublessor from any such costs and expenses. Sublessee shall be entitled to any refund of any Imposition and penalties or interest thereon received by Sublessor which have been paid by Sublessee, or which have been paid by Sublessor but previously reimbursed in full by Sublessee, and which, in either event, shall not be payable to the Ground Lessor.

SECTION 3.07. Notwithstanding the foregoing provisions of this Article 3, Sublessee shall not be obligated to make any payments in respect of any Impositions pursuant hereto until the rendition by Sublessor to Sublessee of a bill therefor, showing the aggregate amount of such Impositions and the portion thereof payable by Sublessee pursuant hereto, except that pending receipt by Sublessee of a bill for real estate taxes, Sublessee shall continue to make the tax deposits required by Section 3.02 hereof in the amounts payable during the preceding tax year.

CON 5024 PAGE 547

22

ARTICLE 4

SURRENDER

SECTION 4.01. On the last day of the term hereof or upon any earlier termination of this lease, or upon any re-entry by Sublessor upon the Demised Premises pursuant to Article 19 hereof, Sublessee shall surrender the Demised Premises, together with all fixtures and articles of personal property attached to or used in the operation thereof, into the possession and use of Sublessor without delay and in good order, condition and repair, reasonable wear and tear excepted, free and clear of all lettings and occupancies other than subleases permitted by this lease and any existing subleases and free and clear of all liens and encumbrances other than those, if any, permitted by this lease or created or consented to by Sublessor.

SECTION 4.02. Where furnished by or at the expense of any subtenant, furniture, trade fixtures and business equipment (not constituting part of the Demised Premises) may be removed by Sublessee or by such subtenant at or prior to the termination of its sublease, provided, however, that the removal thereof will not contravene the provisions of the Ground Lease or the Mesne Lease and that Sublessee shall with due diligence, and without expense to Sublessor, cause the Building to be promptly restored to its condition prior to such removal and cause any injury due to such removal to be promptly repaired.

SECTION 4.03. Any personal property of Sublessee or any subtenant which shall remain in the Building after the termination of this lease or any sublease and the removal of Sublessee or such subtenant from the Building, may, at the option of Sublessor be deemed to have been abandoned by Sublessee or such subtenant and either may be retained by Sublessor as its property or be disposed of, without accountability, in such manner as Sublessor may see fit.

CON 5024 PAGE 548

SECTION 4.04. Sublessor shall not be responsible for any loss or damage occurring to any property owned by Sublessee or any subtenant.

SECTION 4.05. The provisions of this Article 4 shall survive any termination of this lease.

ARTICLE 5

INSURANCE

SECTION 5.01. Sublessee, at its sole cost and expense, shall keep the Building insured, during the term of this lease, against loss or damage by fire, lightning, windstorm, hail, explosion, riot and civil commotion, aircraft and vehicles and smoke, and all other available extended coverage (with provisions for deduction of not more than \$50) in an amount which is not less than 100% of the replacement value of the Building, without any deduction being made for depreciation, to the extent such insurance is available. Such replacement value shall be determined from time to time, but not more frequently than once in any 24 consecutive calendar months, at the request of Sublessor, by one of the insurers or, at the option of Sublessor by an appraiser, architect or contractor who shall be reasonably acceptable to Landlord, Sublessor and Sublessee. No omission on the part of Sublessor to request any such determination shall relieve Sublessee of its obligations hereunder.

SECTION 5.02. Sublessee, at its sole cost and expense, shall maintain:

(a) comprehensive general public liability insurance against claims for bodily injury, death or property damage, occurring thereon, in or about the Demised Premises or the elevators or any escalator therein and on, in or about the adjoining streets, property and passageways, such insurance to afford minimum

CON 5024 PAGE 549

protection, during the term of this lease, of not less than \$500,000 in respect of bodily injury or death to any one person, and of not less than \$2,000,000 in respect of any one accident, and of not less than \$100,000 for property damage;

(b) boiler insurance, provided the Building contains a boiler, and, if requested by Sublessor, plate glass insurance;

(c) war risk insurance upon the Building as and when such insurance is obtainable from the United States of America, or any agency or instrumentality thereof, in an amount equal to the lesser of the full replacement value thereof or the maximum amount of such insurance obtainable;

(d) rent insurance against loss of rent due to the risks referred to in Section 5.01 (including those embraced by available extended coverage) in an amount sufficient to prevent Sublessor (and Sublessee, if named as an insured) from being a co-insurer within the terms of the policy or policies in question, but in any event in an amount not less than the basic rent and all estimated additional rent hereunder for 18 months; and in the event that the Building shall be destroyed or seriously damaged, Sublessee shall cause to be deposited with Sublessor so much of the proceeds of such insurance as shall equal the basic rent and all estimated additional rent for one year. Sublessor may deposit with Landlord, out of the insurance proceeds so deposited with Sublessor, the amount required to be deposited by Sublessor, as Tenant, under Section 5.02(d) of the Mesne Lease, to be held and applied by Landlord in the manner therein provided, and the balance of such proceeds shall be held and applied by Sublessor on account of the payment of such basic rent and additional rent until the restoration of the Building, at which time, provided Sublessee is not then in default, the balance, if any, of such deposit, together with any

CON 5024 PAGE 550

sums returned by Landlord to Sublessor shall be returned by Sublessor to Sublessee; and

(e) such other insurance, and in such amounts, as may from time to time be reasonably required by Sublessor against other insurable hazards which at the time are commonly insured against in the case of premises similarly situated, due regard being given to the height and type of building, its construction, use and occupancy.

Sublessee shall not violate or permit to be violated any of the conditions or provisions of any policy provided for in Section 5.01 or 5.02 and Sublessee shall so perform and satisfy the requirements of the companies writing such policies that at all times companies of good standing satisfactory to Sublessor shall be willing to write and/or to continue such insurance.

SECTION 5.03. Sublessee may effect for its own account any insurance not required under the provisions of this lease, but any insurance effected by Sublessee on the Building, whether or not required under this Article 5, shall

be for the benefit of Landlord, Sublessor and Sublessee, and, if required by Sublessor, any leasehold mortgagee of the Mesne Lease, and shall be subject to all other provisions of this Article 5 and of Article 15 hereof. Sublessee shall promptly notify Sublessor of the issuance of any such insurance.

SECTION 5.04. All insurance provided for in this Article 5 shall be effected under valid and enforceable policies issued by insurers of recognized responsibility which are licensed to do business in the State of New York, are well rated by national rating organizations, and have been approved in writing by Landlord and by Sublessor (such approval not to be unreasonably withheld) and, in the case of insurance provided for in Section 5.01, by the Ground Lessor. Upon the execution of this lease, and thereafter

CON 5024 PAGE 551

26

not less than 20 days prior to the expiration dates of the expiring policies theretofore furnished pursuant to this Article 5 or Article 9 hereof, originals of the policies, bearing notations evidencing the payment of premiums or accompanied by other evidence satisfactory to Landlord and to Sublessor of such payment, shall be delivered by Sublessee to Sublessor. Said policies shall be held by Sublessor, or at its option, may be delivered to and deposited with the Landlord or the Ground Lessor. Upon request by Sublessor, Sublessee shall furnish one or more duplicate copies of any policy.

If permitted by Landlord under the Mesne Lease, any insurance provided for in this Article 5 may be effected by a policy or policies of blanket insurance, provided however that either (a) any such policy or policies of blanket insurance shall specify therein, or (b) Sublessee shall furnish Sublessor with a written statement from the insurers under such policy or policies specifying, the amount of the total insurance allocated to the Demised Premises; and provided further, that in all other respects, any such policy or policies shall comply with the other provisions of this lease.

SECTION 5.05. All policies of insurance provided for in Sections 5.01 and 5.02 hereof shall name Landlord, Sublessor and (in the case of those provided for in Section 5.01) the Ground Lessor, as the insureds, as their respective interests may appear. Subject to the provisions of the Ground Lease, such policies may also name Sublessee as an insured, as its interest may appear, and may be made payable to any Leasehold Mortgagee and any leasehold mortgagee of the Mesne Lease, as their interests may appear, pursuant to a standard mortgagee clause. The loss, if any, under any policies provided for in such Section 5.01 and in paragraphs (c) and (e) of Section 5.02 shall be adjusted with the insurance companies by (a) Sublessee, in the case of any particular casualty resulting in damage or destruction not exceeding \$100,000 in the aggregate, or (b) Landlord, Sublessor, Sublessee, any Leasehold Mortgagee,

CON 5024 PAGE 552

27

and any leasehold mortgagee of the Mesne Lease, in the case of any particular casualty resulting in damage or destruction exceeding \$100,000 but not exceeding \$250,000 in the aggregate, or (c) by Landlord and (to the extent required or permitted by the Ground Lease and the Mesne Lease) by the Ground Lessor and/or Sublessor, Sublessee, Leasehold Mortgagee, and/or any leasehold mortgagee of the Mesne Lease, as their respective interests may appear, in the case of any particular casualty resulting in damage or destruction exceeding \$250,000 in the aggregate. The proceeds of any such insurance, as so adjusted, shall be payable:

(i) to Sublessee, in the case of any particular casualty resulting in damage or destruction not exceeding \$100,000 in the aggregate, or

(ii) to Landlord (or, at Sublessor's election, to an insurance trustee which shall be a bank or trust company which is a member of the New York Clearing House Association, selected by Sublessor, and whose charges shall be paid by Sublessee), for the purposes set forth in Article 15, in the case of any particular casualty resulting in damage or destruction exceeding \$100,000, but not exceeding \$250,000, in the aggregate, or

(iii) in the case of any particular casualty resulting in damage or destruction exceeding \$250,000 in the aggregate, either (A) to the insurance trustee designated pursuant to Paragraph Seventh of the Ground Lease in the case of proceeds of insurance provided for in Section 5.01 hereof or (B) to Landlord (or, at Sublessor's election, to an insurance trustee selected as provided in clause (ii) of this Section), for the purposes set forth in Article 15, in the case of proceeds of insurance provided for in Section 5.02 hereof.

All such policies shall provide that the loss, if any, thereunder shall be adjusted and paid as hereinabove

CON 5024 PAGE 553

28

provided. Each such policy shall contain (if obtainable) a provision that no act or omission of Sublessee shall affect or limit the obligation of the insurance company to pay to Landlord and to Sublessor the amount of any loss sustained and an agreement by the insurer that such policy shall not be cancelled without at least 10 days' prior written notice to Landlord, Sublessor and (in the case of

policies provided for in Section 5.01) the Ground Lessor.

SECTION 5.06. If, at any time during the term of this lease, Sublessor shall request that the amount of liability insurance provided by Sublessee, as required by Section 5.02 and paragraph (g) of Section 9.01 hereof, be increased on the ground that such coverage is inadequate properly to protect the interest of Sublessor, or if Sublessor shall require other insurance pursuant to the provisions of paragraph (e) of Section 5.02, and Sublessee shall refuse to comply with any such request or requirement, the dispute shall be submitted to arbitration as provided in Article 25 hereof. Sublessee shall thereafter carry the amount, and such kind, of insurance as determined by such arbitration to be adequate and required, but in no event shall the amount of public liability insurance be less than the amounts specified in Section 5.02 and in paragraph (g) of Section 9.01 hereof.

SECTION 5.07. Upon the expiration of this lease, the unearned premiums upon any transferable insurance policies lodged with Sublessor by Sublessee shall be apportioned, if Sublessee shall not then be in default in the performance of any of Sublessee's covenants, agreements and undertakings in this lease.

ARTICLE 6

SUBLESSOR'S RIGHT TO PERFORM SUBLESSEE'S COVENANTS

SECTION 6.01. If Sublessee shall at any time fail to pay any Imposition in accordance with the provisions of Article

CON 5024 PAGE 554

29

3 hereof, or to pay for or maintain any of the insurance policies provided for in Article 5 hereof, or to make any other payment or perform any other act on its part to be made or performed hereunder, then Sublessor, after 15 days' notice to Sublessee (or, if necessary to avoid a default under the Mesne Lease, after 5 days' notice, or, in case of any emergency, on such notice, or without notice, as may be reasonable under the circumstances) and without waiving, or releasing Sublessee from, any obligation of Sublessee hereunder, may (but shall not be required to):

(a) pay any Imposition payable by Sublessee pursuant to the provisions of Article 3 hereof, or

(b) pay for and maintain any of the insurance policies provided for in Article 5 hereof, or

(c) make any other payment or perform any other act on Sublessee's part to be made or performed as in this lease provided,

and may enter upon the Demised Premises for the purpose and take all such action thereon as may be necessary therefor.

SECTION 6.02. All sums so paid by Sublessor and all costs and expenses incurred by Sublessor in connection with the performance of any such act (together with interest thereon at the rate of 6% per annum from the respective dates of Sublessor's making of each such payment or incurring of each such cost and expense) shall constitute additional rent payable by Sublessee under this lease and shall be paid by Sublessee to Sublessor on demand, and Sublessor shall not be limited in the proof of any damages which Sublessor may claim against Sublessee arising out of or by reason of Sublessee's failure to provide and keep in force insurance as aforesaid, to the amount of the insurance premium or premiums not paid or incurred by Sublessee and which would have been payable upon such insurance, but Sublessor shall also be

CON 5024 PAGE 555

30

entitled to recover as damages for such breach, the uninsured amount of any loss (to the extent of any deficiency in the insurance required by the provisions of this lease), damages, costs and expenses of suit suffered or incurred by reason of damage to, or destruction of, the Demised Premises, occurring during any period when Sublessee shall have failed or neglected to provide insurance as aforesaid. However, any amount so recovered by the Sublessor for damages to the Demised Premises shall be subject to the provisions of Article 15 hereof.

ARTICLE 7

REPAIRS AND MAINTENANCE OF THE PROPERTY, STEAM AND ELECTRICITY

SECTION 7.01. During the term of this lease, Sublessee, at its sole cost and expense, will take good care of the Building (including the fixtures and facilities therein), and the sidewalks, driveways and curbs adjoining the Building and will maintain and keep the same in good order and condition, and make all necessary repairs thereto, interior and exterior, structural and non-structural, ordinary and extraordinary, and foreseen and unforeseen, unless prohibited by the Ground Lease and not consented to by Ground Lessor. When used in this Article 7, the term "repairs" shall include all necessary replacements, renewals, alterations, additions and betterments. All repairs made by Sublessee shall be equal in quality and class to the original work. Nothing in this Section contained shall obligate Sublessee to repair any portion of the Building excepted from the Demised Premises if and to the extent that the Ground Lessor is obligated under the Ground Lease to make such repairs at its own cost and

expense without reimbursement from Landlord as Ground Lessee. Without limiting the generality of the foregoing, Sublessee shall cause all windows in the north and east walls of the Building, including the north wall of the south wing, to be caulked and all split, buckled or otherwise damaged slate

CON 5024 PAGE 556

31

window sills in the Building to be replaced on or before May 1, 1958, and Sublessee will, promptly after notice of written request by Landlord to Sublessor, cause all other windows of the Building to be caulked, when and if, in Landlord's reasonable judgment, such caulking shall be necessary.

SECTION 7.02. The necessity for and adequacy of repairs to the Building pursuant to Section 7.01 hereof shall be measured by the standard which is appropriate for buildings of similar construction and class, provided that Sublessee shall in any event make all repairs required to be made by the Tenant under the Mesne Lease.

SECTION 7.03. Sublessee shall maintain all portions of the Building and the adjacent sidewalks, driveways and curbs in a clean and orderly condition, free of dirt, rubbish, snow, ice and unlawful obstructions; provided, however, that Sublessee shall not be responsible for the maintenance, lighting, cleaning and policing of the passageway extending from Lexington Avenue to the Grand Central Terminal building, but Sublessee shall pay to Sublessor (or, on Sublessor's written request, to the Railroad Company), promptly upon rendition of bills therefor, the portion of the expense of such maintenance, lighting, cleaning and policing which Sublessor is required to pay as Tenant under the Mesne Lease.

SECTION 7.04. Sublessor shall not be required to furnish any services or facilities, or to make any repairs or alterations, in or to the Building. Sublessee hereby assumes full responsibility for the condition, operation, repair, replacement, maintenance and management of the Building except to the extent that (in the case of portions thereof excepted from the Demised Premises) the Ground Lessor is responsible therefor under the Ground Lease.

SECTION 7.05. Sublessee shall, at its own cost and expense, take all action necessary to obtain directly from

CON 5024 PAGE 557

32

the public utility companies furnishing such service in the Borough of Manhattan, City and State of New York, a sufficient supply of all electric current and all steam required for any and all purposes in the Demised Premises. All such arrangements (including the installation, in accordance with plans and specifications approved by Sublessor, Landlord and the Ground Lessor, of all mains, pipes, condensate lines, conduits, drip tanks, pumps, ejectors, meter equipment and other facilities required for the purpose of obtaining such service and disposing of any condensate therefrom and the installation of all such rectifiers, motor generators and other equipment, and the doing of such wiring and other work as may be required to enable Sublessee to use the electric current to be supplied by such public utility company for the operation of elevators, ventilating fans, pumps and heavy machinery in the Demised Premises) shall be completed and such service shall commence on or before January 1, 1959. Without limiting the generality of the foregoing provisions of this Article, Sublessee shall be responsible for the maintenance and repair of such facilities. Pending the completion of such arrangements and the commencement of such service, Sublessor assigns to Sublessee its right to receive from the Ground Lessor and/or the Landlord, subject to the provisions of Paragraph Eighth of the Ground Lease and of Section 7.05 of the Mesne Lease, all such direct current and steam as the Ground Lessor is obligated to furnish under the Ground Lease for the Demised Premises, but Sublessor shall not be responsible for the furnishing of such service except to the extent of permitting Sublessee to take such action as Sublessor is permitted by the Mesne Lease to take in Landlord's name, as may be required to enforce said provisions of the Ground Lease.

SECTION 7.06. During the initial term of this lease, Sublessee shall, upon written request of Landlord, appoint from a list submitted by Landlord of at least four real estate firms specializing in the management and operation

CON 5024 PAGE 558

33

of high grade office buildings in the Borough of Manhattan, one such firm to act as its agent in the management of the Demised Premises. After any such appointment of an agent, upon 30 days' notice from Landlord, Sublessee shall replace any such agent by appointment of another from a list of at least six such firms submitted by Landlord. Sublessee may at any time substitute or replace such appointed agent with any other agent selected from the last-furnished list.

ARTICLE 8

COMPLIANCE WITH LAWS, ORDINANCES, ETC.

SECTION 8.01. During the term of this lease, Sublessee, at its sole cost and expense, shall promptly comply with all present and future laws, ordinances, orders, rules, regulations and requirements of all federal, state and municipal

governments, courts, departments, commissions, boards and officers, any national or local Board of Fire Underwriters, or any other body exercising functions similar to those of any of the foregoing, foreseen or unforeseen, ordinary as well as extraordinary, which may be applicable to the Demised Premises and the sidewalks, curbs and vaults adjoining the Demised Premises or to the use or manner of use of the Demised Premises or the owners, tenants or occupants thereof, whether or not such law, ordinance, order, rule, regulation or requirement shall necessitate structural changes or improvements, or the removal of any encroachments or projections, ornamental, structural or otherwise, onto or over the streets adjacent to the Demised Premises, or onto or over other property contiguous or adjacent thereto.

SECTION 8.02. Sublessee shall have the right to contest by appropriate proceedings diligently conducted in good faith, in the name of Landlord, Sublessor, Sublessee, or any of them, without cost or expense to Landlord or to

CON 5024 PAGE 559

34

Sublessor, the validity or application of any law, ordinance, order, rule, regulation or requirement of the nature referred to in Section 8.01 hereof, provided that such contest shall be permitted by the Ground Lease and the Mesne Lease and Sublessee shall have furnished to the Ground Lessor and to Landlord such indemnities as may be required by the terms of the Ground Lease or the Mesne Lease. If by the terms of any such law, ordinance, order, rule, regulation or requirement, compliance therewith pending the prosecution of any such proceeding may legally be delayed without the incurrence of any lien, charge or liability of any kind against the Demised Premises or Sublessor's or Sublessee's leasehold interest therein and without subjecting Landlord, Sublessor or Sublessee to any liability, civil or criminal, for failure so to comply therewith, Sublessee may delay compliance therewith until the final determination of such proceeding. If any lien, charge or civil liability would be incurred by reason of any such delay, Sublessee, nevertheless, with the prior written consent of Landlord and of Sublessor (such consent of Sublessor not to be unreasonably withheld), may contest as aforesaid and delay as aforesaid, provided that such delay would not subject Landlord or Sublessor to criminal liability and Sublessee (i) furnishes to Landlord and to Sublessor security, satisfactory to Landlord and reasonably satisfactory to Sublessor, against any loss or injury by reason of such contest or delay, and (ii) prosecutes the contest with due diligence.

Neither Landlord nor Sublessor shall be required to join in any proceedings referred to in this Section unless the Ground Lease, the Mesne Lease or the provisions of any applicable law, rule or regulation at the time in effect shall require that such proceedings be brought by and/or in the name of Landlord and/or in the name of Sublessor, in which event Sublessor shall join in such proceedings or permit the same to be brought in its name and/or require Landlord to do likewise.

CON 5024 PAGE 560

35

SECTION 8.03. Without limiting the generality of the foregoing provisions of this Article 8 or the provisions of Article 7 hereof:

(a) Sublessee shall not suffer, allow or permit the loading of any of the floors of the Building, or any portion or portions thereof, beyond the weights permitted by the building ordinances of the City of New York, as changed from time to time during the term of this lease by orders of the municipal authorities having or asserting jurisdiction in the premises;

(b) Sublessee shall not construct or allow or permit to be constructed any advertising signs upon the roof, walls or windows of the Building or any lettering upon the windows, nor shall Sublessee permit the windows above the floor next above the ground floor, or the windows, if any, in the spaces adjoining the passageway from Lexington Avenue to the Grand Central Terminal building, to be used for advertising or display purposes, without in each case the written consent of Landlord, and (if required by the Ground Lease) the written consent of the Ground Lessor first had and obtained.

ARTICLE 9

CHANGES AND ALTERATIONS.

SECTION 9.01. Sublessee will make no alterations or changes in the Building or any part thereof, except in compliance with the provisions of Paragraph Sixth of the Ground Lease, and all matters requiring the consent or approval of the Ground Lessor thereunder shall also require the consent or approval of Landlord and of Sublessor, which consent or approval of Sublessor shall not be unreasonably withheld. In addition to, and without limiting the generality of, the foregoing, Sublessee covenants and agrees that:

CON 5024 PAGE 561

36

(a) No change or alteration, involving an estimated cost of more than \$100,000, including any restoration required by Article 15 or 16 hereof, shall be made without the prior written consent of Landlord and of Sublessor, such consent of Sublessor not to be withheld if the change or

alteration would not in the reasonable opinion of Sublessor impair the value, rental value, rentability or usefulness of the Building or any part thereof.

(b) No change or alteration shall be undertaken until Sublessee shall have procured and paid for, so far as the same may be required from time to time, all permits and authorizations of all municipal departments and governmental subdivisions having jurisdiction. Sublessor shall join in the application for such permits or authorizations whenever such action is necessary, and shall require Landlord to do likewise, but without any liability or expense to Landlord or to Sublessor.

(c) No structural change or alteration shall be made except in accordance with plans and specifications approved in writing by the Ground Lessor, Landlord and Sublessor, and such approval by Sublessor shall not be unreasonably withheld.

(d) Any change or alteration shall, when completed, be of such a character as not to reduce the value, rental value or rentability or usefulness of the Demised Premises.

(e) Any change or alteration shall be made promptly and in a good and workmanlike manner and in compliance with all applicable permits and authorizations and building and zoning laws and with all other laws, ordinances, orders, rules, regulations and requirements of all federal, state and municipal governments, departments, commissions, boards and officers, any

CON 5024 PAGE 562

37

national or local Board of Fire Underwriters, or any other body hereafter exercising functions similar to those of any of the foregoing.

(f) The cost of any such change or alterations shall be paid in cash or its equivalent so that the Demised Premises shall at all times be free of liens for labor and materials supplied or claimed to have been supplied to the Demised Premises.

(g) Workmen's compensation insurance covering all persons employed in connection with the work and with respect to whom death or bodily injury claims could be asserted against Landlord, Sublessor, Sublessee or the Demised Premises, and general liability insurance for the benefit of Landlord, Sublessor and Sublessee with limits of not less than \$250,000 in the event of bodily injury to one person and not less than \$1,000,000 in the event of bodily injury to any number of persons in any one accident, and with limits of not less than \$25,000 for property damage, shall be maintained or caused to be maintained by Sublessee at Sublessee's sole cost and expense at all times when any work is in process in connection with any change or alteration. All such insurance shall be in a company or companies of recognized responsibility, and all policies or certificates therefor issued by the respective insurers, bearing notations evidencing the payment of premiums or accompanied by other evidence satisfactory to Landlord and Sublessor of such payment, shall be delivered to Sublessor.

(h) If the estimated cost of any such change or alteration shall be in excess of \$100,000, Sublessee, before commencement of work, at Sublessee's sole cost and expense, shall furnish to Landlord and to Sublessor a surety company performance bond, issued by a surety company acceptable to Landlord and to Sublessor, in an amount at least equal to the estimated

CON 5024 PAGE 563

38

cost of such change or alteration, guaranteeing the completion thereof within a reasonable time, free and clear of all liens, encumbrances, chattel mortgages, conditional bills of sale, and other charges, and in accordance with the plans and specifications approved by Landlord and Sublessor or, in lieu of such performance bond, other security reasonably satisfactory to Landlord and Sublessor. No performance bond or other security shall be required except to the extent that such estimated cost exceeds the amounts deposited pursuant to Section 15.02 or available for the purpose pursuant to Section 16.04 of this lease.

ARTICLE 10

DISCHARGE OF LIENS

SECTION 10.01. Sublessee will not create or permit to be created or to remain, and will discharge, any lien, encumbrance or charge (levied on account of any Imposition or any mechanic's, laborer's or materialman's lien or any mortgage, conditional sale, title retention agreement or chattel mortgage or otherwise) which might be or become a lien, encumbrance or charge upon the Demised Premises or any part thereof or the income therefrom, having any priority or preference over or ranking on a parity with the estate, rights and interest of Sublessor in the Demised Premises, or any part thereof or the income therefrom, and Sublessee will not suffer any other matter or thing whereby the estate, rights and interest of Sublessor in the Demised Premises or any part thereof might be impaired; provided that any Imposition may, after the same becomes a lien on the Demised Premises, be paid or contested in accordance with

Article 3 hereof, and any mechanic's, laborer's or materialman's lien may be discharged in accordance with Section 10.02 hereof.

CON 5024 PAGE 564

39

SECTION 10.02. If any mechanic's, laborer's or materialman's lien shall at any time be filed against the Demised Premises or any part thereof, Sublessee, within 30 days after notice of the filing thereof, will cause the same to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or otherwise. If Sublessee shall fail to cause such lien to be discharged within the period aforesaid, then, in addition to any other right or remedy, Sublessor may, but shall not be obligated to, discharge the same either by paying the amount claimed to be due or by procuring the discharge of such lien by deposit or by bonding proceedings, and in any such event Sublessor shall be entitled, if Sublessor so elects, to compel the prosecution of an action for the foreclosure of such lien by the lienor and to pay the amount of the judgment in favor of the lienor with interest, costs and allowances. Any amount so paid by Sublessor and all costs and expenses incurred by Sublessor in connection therewith, together with interest thereon at the rate of 6% per annum from the respective dates of Sublessor's making of the payment or incurring of the cost and expense shall constitute additional rent payable by Sublessee under this lease and shall be paid by Sublessee to Sublessor on demand.

SECTION 10.03. Nothing in this lease contained shall be deemed or construed in any way as constituting the consent or request of Sublessor, express or implied by inference or otherwise, to any contractor, subcontractor, laborer or materialman for the performance of any labor or the furnishing of any materials for any specific improvement, alteration to or repair of the Demised Premises or any part thereof, nor as giving Sublessee any right, power or authority to contract for or permit the rendering of any services or the furnishing of any materials that would give rise to the filing of any lien against the Demised Premises or any part thereof.

CON 5024 PAGE 565

40

ARTICLE 11

USE OF PROPERTY

SECTION 11.01. Sublessee will use the Demised Premises only for a high-grade office building, except that the ground floor and floor next above the ground floor may be used for banks, for trust companies, or for stores, and Sublessee shall not use or permit or allow the Demised Premises or any portion thereof to be used for any other purpose, without prior written consent of Sublessor, Landlord and the Ground Lessor. Sublessee will not use or allow the Demised Premises or any part thereof to be used or occupied for any unlawful purpose or in violation of the Mesne Lease, the Ground Lease or any certificate of occupancy or certificate of compliance covering or affecting the use of the Demised Premises or any part thereof and will not suffer any act to be done or any condition to exist on the Demised Premises or any part thereof or any article to be brought thereon, which would in any way violate the Mesne Lease, the Ground Lease or which may be dangerous, unless safeguarded as required by law, or which may, in law, constitute a nuisance, public or private, or which may make void or voidable any insurance then in force with respect thereto.

SECTION 11.02. Sublessee will not do or suffer any waste or damage, disfigurement or injury to the Building or any part thereof.

SECTION 11.03. Sublessee shall not use or permit the use of the Demised Premises or any part thereof for any purpose which in the reasonable opinion of Sublessor would adversely affect the then value or character of the Demised Premises. Any dispute between Sublessor and Sublessee arising under the provisions of this Section 11.03 shall be submitted to arbitration as provided under Article 25 hereof.

CON 5024 PAGE 566

41

ARTICLE 12

SUBORDINATION TO PRIOR LEASES AND COMPLIANCE THEREWITH

SECTION 12.01. This lease is subject and subordinate to the Grant of Term, the Ground Lease, and the Mesne Lease, and to all of the terms, covenants and conditions of each of them. Sublessee agrees that it shall, at its cost and expense, promptly perform and observe all obligations of the Ground Lessor as grantee under the Grant of Term, of Landlord as Ground Lessee under the Ground Lease and of Sublessor as Tenant under the Mesne Lease (except that, to the extent that Sublessee shall have deposited same with the Escrow Agent hereunder, Sublessee shall not be required to make payments to the Ground Lessor of Ground Rent or additional rent under the Ground Lease, or to the Landlord of Net Rent or additional rent under the Mesne Lease), and shall comply with all restrictions and requirements of the Grant of Term, the Ground Lease and the Mesne Lease, applicable to the said grantee, the Ground Lessee or Tenant, as the case may be, irrespective of whether the obligations, restrictions or

requirements are more stringent than those herein imposed upon Sublessee. Specific references in other articles of this lease to compliance with particular requirements of the Grant of Term, Ground Lease and Mesne Lease shall not limit the generality of the foregoing.

SECTION 12.02. Sublessor covenants and agrees that if the Escrow Agent shall fail to pay to Landlord (or to the Ground Lessor, if Landlord shall so direct) any installment of Ground Rent or additional rent under the Ground Lease, or shall fail to pay to Landlord any installment of Net Rent or additional rent under the Mesne Lease, with respect to which and to the extent that Sublessee shall have made deposits hereunder with the Escrow Agent, then Sublessor shall duly pay to Landlord each and every such installment. Sublessor further

CON 5024 PAGE 567

42

covenants and agrees that it will not do, suffer or permit any act, condition or thing to occur which would or might constitute a default under the Sublease, except to the extent that such occurrence shall have resulted, directly or indirectly, from a default hereunder either by Sublessee or caused by any subtenant.

Upon written notice to Sublessor, given at least ten days prior to the expiration of the time for performance by Sublessor under the Mesne Lease, Sublessee may, but shall not be obligated to make any payment or take any action as shall be necessary to cure a default by the Ground Lessee under the Ground Lease or by Tenant under the Mesne Lease and (except to the extent that such default shall have resulted, directly or indirectly, from a default hereunder either by Sublessee or caused by any subtenant), Sublessee may thereafter deduct the amount of any such payment or the cost of any such other action, from the next succeeding installment or installments of basic rent or additional rent accruing under this lease, with interest thereon at the rate of 6% per annum from the date of such payment or the incurring of such cost.

SECTION 12.03. Sublessor shall not modify or consent to any modification of the Sublease, the Ground Lease or the Grant of Term except with the prior written consent of Sublessee, and any such modification made without such consent shall be null and void and of no effect so far as Sublessee is concerned.

ARTICLE 13

ENTRY ON PROPERTY BY SUBLESSOR, ETC.

SECTION 13.01. Sublessee will permit Landlord and Sublessor and their authorized representatives to enter the Demised Premises at all reasonable times for the purpose of (a) inspecting the same and (b) making any necessary repairs thereto and performing any other work therein that may be necessary by reason of Sublessee's failure, for

CON 5024 PAGE 568

43

15 days after written notice from Sublessor, to make any such repairs or perform any such other work or to commence the same. Nothing herein shall imply any duty upon the part of Sublessor to do any such work; and performance thereof by Sublessor shall not constitute a waiver of Sublessee's default in failing to perform the same. Landlord or Sublessor may, during the progress of any such work in the Demised Premises, keep and store therein all necessary materials, tools, supplies and equipment. Sublessor shall not be liable for inconvenience, annoyance, disturbance, loss of business or other damage of Sublessee or any subtenant by reason of making such repairs or the performance of any such work, or on account of bringing materials, tools, supplies and equipment into or through the Demised Premises during the course thereof, and the obligations of Sublessee under this lease shall not be affected thereby.

SECTION 13.02. Landlord and Sublessor shall have the right to enter the Demised Premises at all reasonable times during usual business hours for the purpose of showing the same to prospective purchasers or mortgages, and, at any time within 2 years prior to the expiration of the initial term of this lease (unless Sublessee theretofore shall have given written notice of its election to renew this lease as provided in Article 20 hereof) or within 2 years prior to the expiration of any renewal term of this lease (unless Sublessee, if entitled to renew this lease as provided in Article 20 hereof, theretofore shall have given Sublessor written notice of its election so to renew this lease as therein provided), for the purpose of showing the same to prospective tenants.

ARTICLE 14

INDEMNIFICATION OF SUBLESSOR

SECTION 14.01. Sublessee will indemnify and save harmless Sublessor against and from all liabilities, obligations,

CON 5024 PAGE 569

44

damages, penalties, claims, costs, charges and expenses, including reasonable architects' and attorneys' fees, which may be imposed upon or incurred by or

asserted against Sublessor by reason of any of the following occurring during the term of this lease:

(a) any work or thing done in, on or about the Demised Premises or any part thereof;

(b) any use, non-use, possession, occupation, condition, operation, maintenance or management of the Demised Premises or any part thereof, or any street, alley, sidewalk, curb, vault, passageway or space adjacent thereto;

(c) any negligence on the part of Sublessee or any of its agents, contractors, servants, employees, subtenants, licensees or invitees;

(d) any accident, injury or damage to any person or property occurring in, on or about the Demised Premises or any part thereof or any street, alley, sidewalk, curb, vault, passageway or space adjacent thereto;

(e) any failure by Sublessee to perform or comply with any of the covenants, agreements, terms or conditions contained in this lease on its part to be performed or complied with;

(f) any tax attributable to the execution, delivery or recording of the Mesne Lease or of this lease or any modification hereof; or

(g) any claim by Landlord against Sublessor arising out of or connected with any of the matters set forth in paragraphs (a) through (f) above.

In case any action or proceeding is brought against Sublessor by reason of any such claim, Sublessee upon written notice from Sublessor will at Sublessee's expense resist or defend such action or proceeding.

CON 5024 PAGE 570

45

ARTICLE 15

DAMAGE OR DESTRUCTION

SECTION 15.01. In case of casualty to the Building resulting in damage or destruction exceeding \$100,000 in the aggregate, Sublessee shall promptly give written notice thereof to Sublessor. Regardless of the amount of any such damage or destruction, Sublessee shall at its sole cost and expense, and whether or not the insurance proceeds, if any, shall be sufficient for the purpose, restore, repair, replace, rebuild or alter the Building as nearly as possible to its value, condition and character immediately prior to such damage or destruction and in conformity with the requirements of the Ground Lease, the Mesne Lease and the provisions of Article 9 hereof. Such restoration, repairs, replacements, rebuilding or alterations shall be commenced promptly and prosecuted with reasonable diligence.

SECTION 15.02. Subject to the provisions of the Ground Lease and the Mesne Lease, all insurance proceeds received by Sublessor or any insurance trustee selected by Sublessor pursuant to Section 5.05 hereof, on account of such damage or destruction, less the actual cost, fees and expenses, if any, incurred in connection with adjustment of the loss, shall be applied by Sublessor or such insurance trustee to pay or reimburse Sublessee for the payment of the cost of the aforesaid demolition, restoration, repairs, replacement, rebuilding or alterations, including the cost of temporary repairs or for the protection of property pending the completion of permanent restoration, repairs, replacements, rebuilding or alterations (all of which temporary repairs, protection of property and permanent restoration, repairs, replacement, rebuilding or alterations are hereinafter collectively referred to as the "restoration"), and shall be paid out from time to time as such restoration progresses upon the written request of Sublessee which shall be accompanied by the following:

CON 5024 PAGE 571

46

(1) A certificate signed by Sublessee, dated not more than 30 days prior to such request, setting forth the following:

(A) That the sum then requested either has been paid by Sublessee, or is justly due to contractors, subcontractors, materialmen, engineers, architects, or other persons who have rendered services or furnished materials for the restoration therein specified, the names and addresses of such persons, a brief description of such services and materials, the several amounts so paid or due to each of said persons in respect thereof, that no part of such expenditures has been or is being made the basis, in any previous or then pending request, for the withdrawal of insurance money or has been made out of the proceeds of insurance received by Sublessee, and that the sum then requested does not exceed the value of the services and materials described in the certificate.

(B) That, except for the amount, if any, stated (pursuant to the foregoing subclause (1) (A)) in such certificate to be due for services or materials, there is no outstanding indebtedness known to the persons signing such certificate, after due inquiry, which is then due for labor, wages, materials, supplies or services in

connection with such restoration.

(C) That the cost, as estimated by the persons signing such certificate, of the restoration required to be done subsequent to the date of such certificate in order to complete the same, does not exceed the insurance money, plus any amount deposited by Sublessee to defray such cost and remaining in the hands of Sublessor or such insurance trustee after payment of the sum requested in such certificate.

(2) A title company or official search, or other evidence satisfactory to Sublessor or the insurance trustee,

CON 5024 PAGE 572

47

showing that there have not been filed with respect to the Demised Premises, any vendor's, contractor's, mechanic's, laborer's or materialman's statutory or similar lien which has not been discharged of record, except such as will be discharged upon payment of the sum requested in such certificate.

(3) An opinion of counsel (who may be counsel to Sublessee) stating that the instruments which have been or are therewith delivered to Sublessor or to such insurance trustee conform to the requirements of the foregoing clauses (1) and (2) of this Section and that, upon the basis of such request, the insurance proceeds, the withdrawal of which is then requested, may be properly paid over under this Section.

The certificate required by clause (1) of this Section 15.02 shall be signed also by the architect and/or engineer in charge of the restoration, who shall be selected by Sublessee and approved in writing by Landlord and by Sublessor (which approval of Sublessor shall not be unreasonably withheld) and (in the case of proceeds of insurance provided for in Section 5.01) by the Ground Lessor.

Upon compliance with the foregoing provisions of this Section 15.02 and with the requirements of the Ground Lease, Sublessor or such insurance trustee shall, out of such insurance money, pay or cause to be paid to Sublessee or the persons named (pursuant to subclause (1) (A) of this Section 15.02) in such certificate the respective amounts stated therein to have been paid by Sublessee or to be due to them, as the case may be.

If the insurance money at the time available for the purpose, less the actual cost, fees and expenses, if any, incurred in connection with the adjustment of the loss, shall be insufficient to pay the entire cost of such restoration, Sublessee shall pay the deficiency.

Upon receipt by Sublessor or such insurance trustee of satisfactory evidence of the character required by clauses (1) and (2) of this Section 15.02 that the restoration has

CON 5024 PAGE 573

48

been completed and paid for in full and that there are no liens of the character referred to therein, any balance of the insurance money held by Sublessor or such insurance trustee or to which Sublessor may be entitled pursuant to the Mesne Lease shall be paid to Sublessee.

SECTION 15.03. If, during the last five years of the last renewal term of this lease, the Building shall be damaged or destroyed by fire or otherwise, and as a result thereof Sublessor shall be entitled to terminate the Mesne Lease pursuant to Section 15.03 thereof,

(a) nothing herein contained shall prohibit the Sublessor from exercising such right of termination,

(b) Sublessee shall have a corresponding right to terminate this lease; and

(c) in case of any such termination of the Mesne Lease by Landlord or Sublessor, this lease shall terminate as of a date prior to the date of termination of the Mesne Lease and Sublessor shall give Sublessee at least 20 days' prior written notice of the date of such termination.

SECTION 15.04. Except as provided in Section 15.03 hereof, no destruction of or damage to the Demised Premises or any part thereof by fire or any other casualty shall terminate or permit Sublessee to surrender this lease or shall relieve Sublessee from its liability to pay the full basic rent and additional rent and other charges payable under this lease or from any of its other obligations under this lease, and Sublessee waives any rights now or hereafter conferred upon it by statute or otherwise to quit or surrender this lease or the Demised Premises or any part thereof, or to any suspension, diminution, abatement or reduction of rent on account of any such destruction or damage.

CON 5024 PAGE 574

49

ARTICLE 16

CONDEMNATION

SECTION 16.01. In the event that the Demised Premises, or any part thereof, shall be taken in condemnation proceedings or by exercise of any right of eminent domain, subject to the provisions of the Mesne Lease, Sublessor shall be entitled to collect from any condemnor the entire portion of the award made with respect to the leasehold estate created by the Mesne Lease and for consequential damages to the Demised Premises to which Sublessor is entitled as Tenant under the Mesne Lease, without deduction therefrom for any estate hereby vested in or owned by Sublessee, subject to Sublessee's rights as set forth in this Article 16. Sublessee agrees to execute, or cause to be executed, any and all further documents that may be required in order to facilitate collection by Sublessor of such portion of any and all such awards. Sublessee, in cooperation with Sublessor, shall have the right to participate in any condemnation proceedings for the purpose of protecting Sublessee's interest hereunder. For purposes of this Article, any such taking which shall result in a termination of the Mesne Lease (whether by action of Sublessor, by operation of law or otherwise) is referred to as a "Total Taking"; any such taking which shall not result in a termination of the Mesne Lease is referred to as a "Partial Taking"; and the portion of any such award to which Sublessor is entitled under the provisions of the Mesne Lease in the event of a Total Taking, after deducting the expenses mentioned in Section 16.08 hereof, less any part of such expenses recouped by Sublessor under the Mesne Lease, is referred to as the "Net Award."

SECTION 16.02. In case of a Total Taking, this lease shall terminate and expire on the date of termination of the Mesne Lease and the basic rent and Net Rent shall be apportioned and paid to such date. In such event, Sublessee

CON 5024 PAGE 575

50

shall not be entitled to receive any apportionment of Impositions theretofore paid or payable by Sublessee, except to the extent that such apportionment or refund is granted by the condemnor acquiring the Demised Premises and except for any refund to which Sublessor may be entitled under Section 2.05(c) hereof.

SECTION 16.03. In the event of a Total Taking, the Net Award received by Sublessor shall be divided between Sublessor and Sublessee as follows:

(a) Sublessor shall first receive the Sum of \$4,200,000.00, or so much thereof as is available out of the proceeds of the Net Award.

(b) The balance, if any, of the Net Award shall be divided, 30% to Sublessor and 70% to Sublessee.

SECTION 16.04. In case of a Partial Taking, Sublessee, at its expense, shall restore the Building to substantially its former condition, to the extent the same is feasible, in accordance with the provisions of Article 9 hereof. The cost of demolition, repair and restoration shall be paid for out of the Net Award (as same is defined in the Mesne Lease) pursuant to the provisions of Section 16.04 of the Mesne Lease to the extent that said Net Award shall be available therefor. In the event that the costs of such demolition, repair and restoration shall exceed the said Net Award, Sublessee shall pay the deficiency.

SECTION 16.05. In case of a Partial Taking:

(a) This lease shall continue and Sublessee shall continue to pay or deposit basic rent, overage rent, Net Rent, Ground Rent, and all other additional rent and other charges as herein provided, except that the sums of \$2,750,000 and \$2,740,000 set forth in Section 2.02 hereof shall, for the purpose of computing the amount of overage rent to which Sublessor is entitled, be reduced by an amount equal to the amount or

CON 5024 PAGE 576

51

amounts by which the Net Rent payable by Sublessee shall be reduced as a result of such Partial Taking.

(b) In the event that Sublessor shall receive from Landlord a refund of any Net Rent deposited or paid by Sublessee pursuant to this lease, Sublessor shall promptly refund same to Sublessee.

(c) Sublessee shall not be entitled to receive any portion of any award made as a result of such Partial Taking, except to the extent that such award shall be made available pursuant to Section 16.04 hereof.

SECTION 16.06. Sublessee shall not be entitled to share in any award or awards made in condemnation proceedings for the taking of any appurtenances to the Demised Premises, vaults, areas or projections outside of the boundaries of the Demised Premises, or rights in, under or above the streets adjoining said lands, or the rights and benefits of light, air or access to said streets, or for the taking of space, or rights therein, below the surface of, or above, the Demised Premises. The cost of such demolition, repair and restoration of the Building as shall be necessitated by such taking shall be paid for out of any award or compensation received by Landlord for any such taking, in accordance with Section 16.06 of the Mesne Lease.

SECTION 16.07. If the temporary use of the whole or any part of the Demised Premises shall be taken by any lawful power or authority, by the exercise of the right of condemnation or eminent domain, or by agreement between Sublessee and those authorized to exercise such right, Sublessee shall give prompt notice thereof to Sublessor, the term of this lease shall not be reduced or affected in

any way, Sublessee shall continue to pay in full the basic rent, additional rent and other charges herein reserved, without reduction or abatement, and Sublessee shall be entitled to receive for itself any award or payment made for such use, provided, however, that

CON 5024 PAGE 577

52

(a) if the taking is for a period not extending beyond the initial term or the then current term of this lease and if such award or payment is made in a lump sum, the same shall be paid to and held by Sublessor as a fund which Sublessor shall pay over and apply as follows: Sublessor shall pay over to Landlord the sum due to Landlord pursuant to Section 16.07 of the Mesne Lease and the balance of such award shall be held by Sublessor and applied from time to time to the payments due to Sublessor from Sublessee under the terms of this lease, except that, if such taking results in changes or alterations in the Building which would necessitate an expenditure to restore the Building to its former condition, then a portion of such award or payment considered by Sublessor as appropriate to cover the expenses of such, restoration may be retained by Sublessor, without application as aforesaid, and applied and paid over toward the restoration of the Building to its former condition, substantially in the same manner and subject to the same conditions as those provided in Section 15.02 hereof with respect to insurance and other monies, or

(b) if the taking is for a period extending beyond the initial term or the then current term of this lease, such award or payment shall be apportioned between Sublessor and Sublessee as of the stated expiration date of such term; Sublessee's share thereof shall, if paid in a lump sum, be paid to Sublessor and applied in accordance with the provisions of paragraph (a) of this Section 16.07 and, in case the then current term of this lease shall be extended pursuant to Article 20 hereof beyond such then current term. Sublessee shall from time to time, from and after the commencement of such extended term, apply the sums received by it upon such apportionment to the payments thereafter due to Sublessor from Sublessee under the terms of this lease; provided, however, that

CON 5024 PAGE 578

53

the amount of any award or payment allowed or retained for restoration of the Building, shall remain the property of Sublessor if the lease shall expire prior to the restoration of the building to its former condition.

Sublessee shall also pay all fees, costs and expenses of every character of the Sublessor in connection with the eventualities provided for in this Section. Sublessee shall be entitled at the close of each year after any such taking, to receive any surplus remaining of said award or awards, after making provision for all payments required pursuant to paragraphs (a) and (b) of this Section 16.07.

SECTION 16.08. In the case of any taking covered by the provisions of this Article 16, except as in Section 16.07 provided, Sublessor and Sublessee shall be entitled to reimbursement from any award or awards of all reasonable costs, fees and expenses incurred in the determination and collection of any such awards.

SECTION 16.09. If the Ground Lessor shall take and use, or permit to be used, any portion of the Demised Premises pursuant to the Ground Lease, Landlord shall be entitled to receive and retain any lump sum payment made by the Ground Lessor pursuant to the Ground Lease on account of the rental value of such portion so taken.

SECTION 16.10. Upon request of Sublessee, Sublessor shall make the election referred to in Section 16.10 of the Mesne Lease, and in such case will select as trustee a bank or trust company which is a member of the New York Clearing House Association.

ARTICLE 17

VAULT SPACE

SECTION 17.01. Vaults and areas, if any, now or hereafter built extending beyond the building line of the Demised

CON 5024 PAGE 579

54

Premises are not included within the Demised Premises, but Sublessee may occupy and use the same during the term of this lease, subject to the Ground Lease, to the Mesne Lease and to such laws, permits, rules and regulations as may be imposed by appropriate governmental authorities with respect thereto.

SECTION 17.02. No revocation on the part of any governmental department or authority of any license or permit to maintain and use any such vault shall in any way affect this lease or the amount of the rent or any other charge payable

by Sublessee hereunder. If any such license or permit shall be revoked, Sublessee will, at its sole cost and expense, do and perform all such work as may be necessary to comply with any order revoking the same.

ARTICLE 18

MORTGAGES, ASSIGNMENTS, SUBLEASES AND TRANSFERS OF SUBLESSEE'S INTEREST

SECTION 18.01.

(a) Neither this lease nor any interest of Sublessee in this lease or in any sublease, or in any subrents shall be sold, assigned, transferred or otherwise disposed of, whether by operation of law or otherwise, nor shall the Demised Premises be sublet as an entirety or substantially as an entirety; nor

(b) shall any of the issued and outstanding capital stock of any corporation or corporations owning this lease as Sublessee be sold, assigned, transferred or otherwise disposed of, if such sale, assignment, transfer or other disposition will result in vesting the control of such corporation or corporations in a person (or persons) who was not a stockholder of such corporation or corporations at the time such corporation or corporations became the owner of this lease pursuant to the terms hereof; nor

CON 5024 PAGE 580

55

(c) shall the interest or interests of any partner in any partnership at any time owning this lease as Sublessee be sold, assigned, transferred or otherwise disposed of, if such sale, assignment, transfer or other disposition will result in vesting the control of such partnership in persons who were not partners at the time such partnership became the owner of this lease pursuant to the terms hereof;

without (i) such prior written consent of Landlord as may be required under Article 18 of the Mesne Lease, and (ii) full compliance by Sublessee with all of the terms and conditions of said Article 18.

No assignment shall be effective until there shall have been delivered to Sublessor a duplicate original of the assignment, in recordable form, executed by the assignor and the proposed assignee, containing an agreement whereby such assignee assumes due performance of the obligations on the assignor's part to be performed under this lease to the end of the term hereof. Upon the assignor having delivered to Sublessor the said assignment and agreement, all liabilities and obligations on the part of the assignor accruing after such assignment shall terminate, provided that upon the effective date of such assignment and thereafter all liabilities and obligations shall be binding only upon the assignee, but nothing herein contained shall be construed to release the assignor from any liability or obligation which accrued prior to the effective date of such assignment. In the event this lease shall be assigned to a partnership, or to more than one corporation, all such corporations and all general partners in such partnership shall assume the obligations of this lease jointly and severally; but upon any subsequent assignment of this lease by such partnership the liabilities and obligations of the partners in such partnership shall similarly be terminated.

For the purpose of this Section 18.01, "control" of any corporation shall be deemed to be vested in the person or

CON 5024 PAGE 581

56

persons owning more than 50% of the voting power for the election of the members of the Board of Directors of such corporation; and "control" of a partnership shall be deemed to be vested in the person or persons owning more than 50% of the total interest in such partnership.

Any assignment of this lease, or of the interest of Sublessee hereunder, or transfer of stock or any interest in any corporation or partnership as aforesaid, without full compliance with any and all requirements set forth in this lease shall be invalid and of no effect against Sublessor.

SECTION 18.02. Sublessee shall have the right to mortgage this lease, to execute and deliver to a trustee a deed of trust of this lease securing bonds or notes issued by Sublessee, and to assign, pledge or hypothecate this lease as security for any such mortgage or deed of trust: (a) to a college or university; or (b) to a pension fund or employees' profit-sharing trust subject to regulation by the State of New York or any agency thereof; or (c) to a savings bank, bank, trust or insurance company, or any other monetary or lending institution, authorized to make leasehold mortgage loans in the State of New York, organized and existing under the laws of the United States, or any state thereof, and authorized to do business in the State of New York and under the supervision of the Comptroller of the Currency of the United States, or of either the Insurance or Banking Departments of the State of New York. Any one of the foregoing permitted mortgagees is hereinafter referred to as an Institution. In connection with an assignment of this lease as in Section 18.01 of this Article 18 provided, Sublessee may take back a purchase money Leasehold Mortgage as part of the consideration for such assignment. Except as herein specifically permitted, Sublessee shall not, without obtaining the prior written consent of Landlord, mortgage or pledge the interest of Sublessee in and to this lease or in

and to the Demised Premises, whether by operation of law or otherwise.

No Leasehold Mortgage shall be binding upon Sublessor in the enforcement of its rights and remedies herein and by law provided, unless and until executed counterparts thereof shall have been delivered to Sublessor and to Landlord, notwithstanding any other form of notice, actual or constructive. Any Leasehold Mortgage shall be specifically subject and subordinate to the rights of Sublessor hereunder and of Landlord under the Mesne Lease, including specifically, but without limitation, the rights of Sublessor under Section 18.10 hereof and the rights of Landlord under Section 18.10 of the Mesne Lease. Any mortgage on this lease or the interest of Sublessee hereunder without full compliance with any and all requirements hereunder shall be invalid and of no effect against Sublessor and Landlord. The consent by Landlord to a Leasehold Mortgage as hereinabove provided, may be conditioned, at the option of Landlord, upon the inclusion of a clause in the leasehold mortgage substantially to the effect that: (i) the Leasehold Mortgagee, prior to the institution of any proceedings to foreclose any mortgage, or negotiations to accept an assignment in lieu of a foreclosure, shall notify Landlord in writing to that effect, (ii) Landlord shall have the right within 20 days after the giving of such notice to purchase the mortgage and the indebtedness which it secures, at a purchase price equal to the full amount then owing to the Leasehold Mortgagee under said mortgage and the indebtedness which it secures, including interest accrued and unpaid and statutory costs and allowances in the event any foreclosure proceedings shall have commenced. No more than one Leasehold Mortgage on this lease may exist at any one time.

SECTION 18.03. Any consent by Landlord to a sale, assignment, mortgage, pledge, hypothecation, transfer of stock, or transfer of this lease, shall apply only to the specific transaction thereby authorized and shall not

relieve Sublessee from the requirement of obtaining the prior written consent of Landlord to any further sale, assignment, mortgage, pledge, hypothecation, transfer of stock as aforementioned, or other transfer of this lease. In instances where the consent of Landlord to any such transaction may not be unreasonably withheld, then, contemporaneously with the request of Sublessee for such consent, Sublessee shall submit, in writing, information sufficient to enable Landlord to decide with respect thereto.

SECTION 18.04. If a Leasehold Mortgagee shall have given to Sublessor, before any default shall have occurred under this lease, a written notice, specifying the name and address of such mortgagee, Sublessor shall give to such Leasehold Mortgagee a copy of each notice of default by Sublessee at the same time as and whenever any such notice of default shall thereafter be given by Sublessor to Sublessee, addressed to such Leasehold Mortgagee at the address last furnished to Sublessor. No such notice by Sublessor shall be deemed to have been given unless and until a copy thereof shall have been so given to such Leasehold Mortgagee. Sublessor will accept performance by any such Leasehold Mortgagee of any covenant, condition, or agreement on Sublessee's part to be performed hereunder with the same force and effect as though performed by Sublessee, if the same shall be adequate for purposes of compliance with the Mesne Lease and the Ground Lease and if, at the time of such performance, Sublessor shall be furnished with evidence reasonably satisfactory to Sublessor of the interest in the lease claimed by the person tendering such performance.

SECTION 18.05. In case of termination of this lease by reason of the happening of any Event of Default, Sublessor shall give notice thereof to any Leasehold Mortgagee who shall have notified Sublessor of its name and address pursuant to Section 18.04 hereof, which notice shall be addressed to such Leasehold Mortgagee at the

address last furnished to Sublessor as above provided. Sublessor shall, on written request of such Leasehold Mortgagee made any time within 30 day after the mailing of such notice, execute and deliver a new lease of the Demised Premises to such Leasehold Mortgagee, or its designee or nominee, for the remainder of the term of this lease, at the basic rent and all additional rent and upon the covenants, conditions, limitations and agreements herein contained, including the covenants in respect to renewals, provided that such Leasehold Mortgagee shall have paid to Sublessor all rent, additional rent and other charges due under this lease up to and including the date of the commencement of the term of such new lease, together with all expenses incurred by Sublessor, including reasonable attorney's fees, but nothing herein contained shall be deemed to impose any obligation on the part of the Sublessor to deliver physical possession of the Demised Premises to such Leasehold Mortgagee. Any such designee or nominee of a Leasehold Mortgagee shall be a corporation qualified to do business in the State of New York.

SECTION 18.06. No Leasehold Mortgagee shall be entitled to become the owner of this lease by foreclosure, or by assignment in lieu of foreclosure, unless such Leasehold Mortgagee, or its designee or nominee, shall first have delivered to Sublessor an assumption agreement, executed in recordable form, wherein and whereby such Leasehold Mortgagee, or a corporate designee or nominee of such Leasehold Mortgagee, assumes the performance of all the terms, covenants and conditions of this lease.

SECTION 18.07. Nothing herein contained shall prevent Sublessor from subletting portions (constituting less than all or substantially all) of the Demised Premises, provided that each such sublease shall be subject and subordinate to this lease and to the rights of Sublessor hereunder, and to the Mesne Lease and the rights of Landlord thereunder. This lease is and shall be subject and subordinate to the

CON 5024 PAGE 585

60

Mesne Lease and to the rights of Landlord thereunder. Subject to the provisions of Section 18.13 of the Mesne Lease, this lease shall be terminable, at the sole election of Landlord upon the termination of the Mesne Lease.

SECTION 18.08. Sublessee shall furnish Landlord with fully executed or photo-copies of all subleases of space in the Demised Premises and with such information with respect thereto as Landlord may require and, Sublessee shall deliver to Sublessor and to Landlord, in duplicate, within 90 days after the end of each fiscal year of Sublessee, a statement of income and expenses for such fiscal year, and a rent schedule showing all subleases and the duration of the respective terms thereof, with respect to the operation of the Demised Premises, which statement shall be certified by an independent certified public accountant. Such statement shall be accompanied by a statement of the names and addresses of all stockholders in any corporation or partners in any partnership holding this lease, showing the number of shares of stock owned by each stockholder of such corporation, or the respective interests of the partners in such partnership, as the case may be; provided, however, that if at any time during the term of this lease any corporation holding this lease is an Institution or if the stock of any corporation holding this lease is listed on any recognized Stock Exchange, then a list of stockholders shall not be required. If more than one corporation holds this lease, such statement shall be made by an officer of each such corporation.

SECTION 18.09. Sublessee shall perform and observe each and every term and condition to be performed or observed by the sublandlord under all existing and future subleases and shall and does hereby indemnify and agree to hold Sublessor harmless from any and all liabilities, claims and causes of action arising thereunder.

SECTION 18.10. Effective as of the date of the happening of an Event of Default, Sublessee hereby assigns to

CON 5024 PAGE 586

61

Sublessor, subject to the provisions of Section 18.10 of the Mesne Lease, all of its right, title and interest in and to all existing and future subleases and all rents due and to become due thereunder. After the effective date of such assignment, Sublessor shall apply any net amount collected by it from subtenants pursuant to such assignment to any basic rent or additional rent due or to become due under this lease for such periods and in such order as Sublessor may elect. No collection of rent by Sublessor from an assignee of this lease or from a subtenant shall constitute a waiver of any of the provisions of this Article 18, or an acceptance of the assignee or subtenant as a tenant, or a release of Sublessee from performance by Sublessee of its obligations under this lease.

Sublessee shall not directly or indirectly collect or accept any payment of rent under any sublease more than three months in advance of the date when the same shall become due, and such rent, in the case of any future sublease shall be payable at least every three months; provided, however, that any sublease of a store may require the subtenant thereunder to make a rent security deposit in an amount not exceeding ten per cent of the aggregate subrent reserved for the term of such sublease. In the event of failure of any subtenant to pay subrent to Sublessor pursuant to the foregoing assignment after the happening of an Event of Default, any such rent thereafter collected by Sublessee shall be deemed to constitute a trust fund for the benefit of the Sublessor.

SECTION 18.11. Sublessee assumes and shall be responsible for and liable to Sublessor, for all acts and omissions on the part of any present or future subtenant, and any violation of any of the terms, provisions or conditions of this lease, whether by act or omission, by any subtenant shall constitute a violation by Sublessee. In no event shall Sublessee be entitled to make a lease of all or substantially all of the Demised Premises.

SECTION 18.12. Sublessee shall not modify any major sublease so as to reduce the rent, shorten the term, or

CON 5024 PAGE 587

62

otherwise adversely affect to any material extent the rights of the lessor thereunder, or permit cancellation or accept the surrender of any such sublease, without the prior written consent of Sublessor and of Landlord in each instance, which consent of Sublessor shall not be unreasonably withheld; provided, however, that, in the case of any major sublease covering one or more full floors in the Building and any additional diversified smaller portions of space in the Building, such sublease may be modified in order to substitute new space in the Building for some or all of the diversified smaller space previously covered by such sublease if (a) the terms thereof, as so modified, shall not be

otherwise modified, except that provision may be made for an increase in the annual rental and for the redecoration of the new space in accordance with the standards then in effect for redecorating space in the Building demised to other subtenants, and (b) no major sublease to any other subtenant shall be cancelled or modified in connection with such transaction. In addition to being subject and subordinate to the terms of this lease, as required by the provisions of Section 18.07 hereof, each major sublease made after the date of this lease shall contain a specific provision to the effect that such sublease may not be modified or amended so as to reduce the rent or shorten the term, or otherwise adversely affect to any material extent the rights of the lessor thereunder, or be cancelled or surrendered without the prior written consent, in each instance, of Landlord and Sublessor.

Each future sublease shall also contain an agreement on the part of the subtenant to the effect that such sublease shall not terminate or be terminable by the subtenant thereunder by reason of any termination of this lease or of the Mesne Lease, except that in case of the institution of any summary or other proceeding by Landlord, any sublease made after the date of this lease may be terminated if the subtenant thereunder is named by Landlord as a party, and served with process, in any such proceeding for possession of the Demised Premises or the space occupied by

CON 5024 PAGE 588

63

such subtenant, and a warrant or judgment for possession of such space is issued in such proceeding. Each future sublease shall contain an agreement on the part of the subtenant to the effect that Sublessor and Landlord shall be given notice of, and a reasonable opportunity to cure, any default on the part of the lessor under such sublease.

SECTION 18.13. Sublessor agrees that if it shall execute and deliver a mortgage or deed of trust of the Mesne Lease as referred to in Section 18.02 thereof, it shall require the holder of each such mortgage or the trustee under each such deed of trust to covenant and agree in the mortgage or deed of trust that if such holder or trustee or the designee of either shall obtain a new lease as provided in Section 18.05 of the Mesne Lease, or shall renew the Mesne Lease and become Tenant thereunder as provided in Section 20.02 thereof, then, provided that no Event of Default under this lease shall be in existence at the time of the termination of the Mesne Lease and /or at the time when such new lease or renewal lease, as the case may be, is obtained by such holder, such holder, trustee or designee shall, simultaneously with the execution and delivery of such new lease or renewal lease, as the case may be, enter into a new lease with Sublessee, without cost or expense to such holder, trustee or designee, for the remainder of the term of this lease or for the corresponding renewal term of this lease, as the case may be, and at the basic rent and all additional rent and upon the covenants, conditions, limitations and agreements contained herein including the covenants in respect to renewals.

SECTION 18.14. Notwithstanding the provisions of Article 10, paragraphs (f) and (h) of Section 9.01 and Section 18.01 hereof, but subject in other respects to the provisions of Article 9 hereof and subject to compliance with all applicable provisions of the Ground Lease and the Mesne Lease, Sublessee may, in connection with the in-

CON 5024 PAGE 593

68

(g) if within 60 days after the commencement of any proceeding against Sublessee seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future federal bankruptcy act or any other present or future applicable federal, state or other statute or law, such proceeding shall not have been dismissed, or if, within 60 days after the appointment, without the consent or acquiescence of Sublessee, of any trustee, receiver or liquidator of Sublessee or of all or any substantial part of its properties or of the Demised Premises or any interest of Sublessee therein, such appointment shall not have been vacated or stayed on appeal or otherwise, or if, within 60 days after the expiration of any such stay, such appointment shall not have been vacated; or

(h) if the Demised Premises shall be abandoned by Sublessee;

then and in any such event Sublessor at any time thereafter during the continuance of such Events of Default may give written notice to Sublessee and to any Leasehold Mortgagee entitled to notice of default, specifying such Event or Events of Default and stating that this lease and the term hereby demised shall expire and terminate on the date specified in such notice, which shall be at least 5 days after the giving of such notice; and upon the date specified in such notice, subject to the provisions of Section 19.04 hereof, this lease and the term hereby demised and all rights of Sublessee under this lease shall expire and terminate.

Nothing in the preceding paragraph shall be deemed to require Sublessor to give the 5 day notice therein provided for prior to the commencement of a summary proceeding for non-payment of rent or a plenary action for the recovery of rent on account of any of the defaults specified in clauses (a), (b), (c) and (d), it being intended that such notice is only for the purpose of creating a conditional

CON 5024 PAGE 594

limitation hereunder pursuant to which this lease shall terminate and Sublessee shall become a hold-over tenant.

If, at any time during the term of this lease, this lease is owned by more than one corporation as Sublessee, the provisions of paragraphs (f) and (g) hereof shall apply to each such corporation.

SECTION 19.02. Upon any expiration or termination of this lease, whether pursuant to Section 19.01 hereof or by summary dispossession proceedings or otherwise, Sublessee shall quit and peacefully surrender the Demised Premises to Sublessor, and upon or at any time after any such expiration or termination, may without further notice, enter upon and re-enter the Demised Premises and possess and repossess itself thereof, by force, summary proceedings, ejectment or otherwise, and may dispossess Sublessee and remove Sublessee and all other persons and property from the Demised Premises and may have, hold and enjoy the Demised Premises and the right to receive all rental income of and from the same.

SECTION 19.03. At any time or from time to time after any such expiration or termination, Sublessor may relet the Demised Premises or any part thereof, in the name of Sublessor or otherwise, for such term or terms (which may be greater or less than the period which would otherwise have constituted the balance of the term of this lease) and on such conditions (which may include concessions or free rent) as Sublessor, in its uncontrolled discretion, may determine and may collect and receive the rents therefor. Sublessor shall in no way be responsible or liable for any failure to relet the Demised Premises or any part thereof, or for any failure to collect any rent due upon any such reletting.

SECTION 19.04. No such expiration or termination of this lease shall relieve Sublessee of its liability and obligations

CON 5024 PAGE 595

70

under this lease and such liability and obligations shall survive any such expiration or termination. In the event of any such expiration or termination, whether or not the Demised Premises or any part thereof shall have been relet, Sublessee shall pay to Sublessor the basic rent, Net Rent, Ground Rent and all other additional rent and other charges required to be paid by Sublessee up to the time of such expiration or termination of this lease, and thereafter Sublessee, until the end of what would have been the term of this lease in the absence of such expiration or termination, shall be liable to Sublessor for, and shall pay to Sublessor, as and for liquidated and agreed current damages for Sublessee's default,

(a) the equivalent of the amount of the basic rent, Net Rent, Ground Rent and all other additional rent and other charges which would be payable under this lease by Sublessee if this lease were still in effect, less

(b) the net proceeds of any reletting effected pursuant to the provisions of Section 19.03 hereof, after deducting all Sublessor's expenses in connection with such reletting, including, without limitation, all repossession costs, brokerage commissions, legal expenses, reasonable attorneys' fees, alteration costs, and expenses of preparation for such reletting.

Sublessee shall pay such current damages (herein called "deficiency") to Sublessor monthly on the days on which the basic rent would have been payable under this lease if this lease were still in effect, and Sublessor shall be entitled to recover from Sublessee each monthly deficiency as the same shall arise. At any time after any such expiration or termination, in lieu of collecting any further monthly deficiencies as aforesaid, Sublessor shall be entitled to recover from Sublessee, and Sublessee shall pay to Sublessor, on demand, as and for liquidated and agreed final damages for Sublessee's default, an amount equal

CON 5024 PAGE 596

71

to the difference between the basic rent, Net Rent, Ground Rent and all other additional rent reserved hereunder for the unexpired portion of the term demised and the then fair and reasonable rental value of the Demised Premises for the same period. In the computation of such damages the difference between any installment of rent becoming due hereunder after the date of termination and the fair and reasonable rental value of the Demised Premises for the period for which such installment was payable shall be discounted to the date of termination at the rate of four per cent(4%) per annum. If the Demised Premises or any part thereof be re-let by Sublessor for the unexpired term of said lease, or any part thereof, before presentation of proof of such liquidated damages to any court, commission or tribunal, the amount of rent reserved upon such re-letting shall prima facie be the fair and reasonable rental value for the part or the whole of the premises so re-let during the term of the re-letting. Nothing herein contained shall limit or prejudice the right of Sublessor to prove for and obtain as liquidated damages by reason of such termination, an amount equal to the maximum allowed by any statute or rule of law in effect at the time when, and governing the proceedings in which, such damages are to be proved, whether or not such amount be greater, equal to, or less than the amount of the difference referred to above.

SECTION 19.05. Sublessee hereby expressly waives, so far as permitted by law, the service of any notice of intention to re-enter provided for in any statute, and Sublessee, for and on behalf of itself and all persons claiming through or under Sublessee (including but not limited to a Leasehold Mortgagee), also waives any and all right of redemption or re-entry or re-possession or to restore the operation of this lease in case Sublessee shall be dispossessed by a judgment or by warrant of any court or judge or in case of any expiration or termination of this lease, subject to

CON 5024 PAGE 597

72

the right of a Leasehold Mortgagee to obtain a new lease in strict accordance with the provisions of Section 18.05 hereof. Sublessor and Sublessee waive and will waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matters whatsoever arising out of or in any way connected with this lease, the relationship of Sublessor and Sublessee, Sublessee's use or occupancy of said premises, or any claim of injury or damage. The terms "enter", "re-enter", "entry" or "re-entry", as used in this lease are not restricted to their technical legal meaning.

SECTION 19.06. No failure by Sublessor to insist upon the strict performance of any covenant, agreement, term or condition of this lease or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of full or partial rent during the continuance of any such breach, shall constitute a waiver of any such breach or of such covenant, agreement, term or condition. No covenant, agreement, term or condition of this lease to be performed or complied with by Sublessee, and no breach thereof, shall be waived, altered or modified except by a written instrument executed by Sublessor. No waiver of any breach shall affect or alter this lease, but each and every covenant, agreement, term and condition of this lease shall continue in full force and effect with respect to any other then existing or subsequent breach thereof.

SECTION 19.07. In the event of any breach or threatened breach by Sublessee of any of the covenants, agreements, terms or conditions contained in this lease, Sublessor shall be entitled to enjoin such breach or threatened breach and shall have the right to invoke any right and remedy allowed at law or in equity or by statute or otherwise as though re-entry, summary proceedings, and other remedies were not provided for in this lease.

SECTION 19.08. Each right and remedy of Sublessor provided for in this lease shall be cumulative and shall

CON 5024 PAGE 598

73

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

SECTION 19.09. Interest at the rate of 6% per annum shall accrue upon any basic rent and all additional rent payable or to be deposited under this lease during any period while the payment or deposit thereof by Sublessee is delayed.

ARTICLE 20

RENEWAL PRIVILEGES

SECTION 20.01. Subject to the provisions of Sections 20.03 and 20.04 hereof, the term of this lease may, at the option of Sublessee, by written notice to Sublessor as herein provided, be renewed and extended as follows:

FIRST RENEWAL TERM--May 30, 1976 to December 29, 1987

SECOND RENEWAL TERM--December 30, 1987 to December 29, 2008

THIRD RENEWAL TERM--December 30, 2008 to December 29, 2029

Any such renewal option shall be exercised by written notice given by Sublessee to Sublessor at least 18, and not more than 30, months prior to the commencement of the particular renewal term, and (subject to the provisions of Section 20.03 hereof) if such notice shall have so been given and this lease, and the Mesne Lease and the Ground Lease

CON 5024 PAGE 599

74

shall be in effect on the day next preceding the commencement of such renewal term this lease shall thereupon be automatically renewed for such renewal term.

Each renewal term shall be upon the same terms, covenants and conditions as in this lease provided, except that the basic rent for each renewal term shall be Eight Hundred Forty Four Thousand Dollars (\$844,000) annually. There shall be no privilege to Sublessee of renewals of the terms of this lease beyond the

Third Renewal Term referred to above. Payment of overage rent, all other additional rent and other charges on the part of Sublessee to be made as in this lease provided shall continue to be made during each of such renewal terms. Any termination of this lease terminate shall any right of renewal hereunder.

SECTION 20.02. In the event that Sublessee shall fail to exercise its option to renew the term of this lease within the applicable period prescribed in this Article 20, Sublessor shall give notice thereof to any Leasehold Mortgagee entitled to notice under Section 18.04 hereof and any such Leasehold Mortgagee may, within 30 days after the giving of such notice, elect that this lease be renewed for the relevant renewal term upon the same terms, covenants and conditions and with the same effect as though such option had been exercised by Sublessee as in this Article 20 provided, except that Sublessee shall not be the lessee in the renewal lease and shall have no obligations thereunder and the Leasehold Mortgagee shall deliver to Sublessor an assumption agreement, executed in recordable form, wherein and whereby such Leasehold Mortgagee or its designee shall assume the performance of all the terms, covenants and conditions of this lease as so renewed.

SECTION 20.03. The attempted exercise by Sublessee or a Leasehold Mortgagee as the case may be, of any option to renew this lease shall not become effective, nor shall any such renewal term be created if either

(a) at the time when notice of the exercise of such option shall be given to Sublessor; or

CON 5024 PAGE 600

75

(b) on the day next preceding the purported commencement date of the renewal term; or

(c) during the period of 60 days next preceding the last date on which Sublessor may notify the Landlord of exercise of its corresponding privilege of renewing the Mesne Lease,

a default hereunder shall have occurred, Sublessee and such Leasehold Mortgagee shall have been notified thereof, and such default shall not have been cured within the time or times permitted by this lease.

SECTION 20.04. Sublessor agrees that if it shall have received a notice of renewal pursuant to this Article, it will, at least 60 days before the expiration of the period within which notice of renewal of the Mesne Lease may be effectively given, either

(a) give notice to the Landlord of its election to exercise its corresponding renewal privilege under the Mesne Lease, or

(b) give notice to Sublessee and any Leasehold Mortgagee to the effect that Sublessor does not desire to renew this lease and the Mesne Lease.

If Sublessor shall fail to give the notice to Landlord referred to in paragraph (a) of this Section, then and in such event (whether or not the notices referred to in paragraph (b) of this Section shall have been given) Sublessee and any Leasehold Mortgagee shall be entitled to exercise the rights of renewal provided for in Article 20 of the Mesne Lease, and Sublessor, if so requested, shall execute a written instrument confirming the permission hereby granted, in which event this lease shall terminate on the expiration of the then current term without obligation on Sublessor's part to renew. Notwithstanding the foregoing provisions of this Section, neither Sublessee nor any Lease-

CON 5024 PAGE 601

76

hold Mortgagee shall be entitled to exercise any right to renew the Mesne Lease at a time when Sublessee is in default hereunder and the foregoing parties shall have received notice thereof.

SECTION 20.05. If Sublessor shall acquire the interest of the Ground Lessor and/or the Landlord in and to the Demised Premises, Sublessor, in addition to its rights and obligations hereunder, shall have the same rights and obligations with respect thereto as the Ground Lessor and/or the Landlord (including without limitation the right to collect the Ground Rent and/or the Net Rent) as though the Ground Lease and/or the Mesne Lease was to continue in full force and effect for the duration of the term of this lease, regardless of whether or not the Ground Lease and/or the Mesne Lease shall have been terminated by cancellation, merger or otherwise after such acquisition. If Sublessee shall acquire fee title to the Demised Premises, the Ground Lessor's or the Landlord's interest therein, this lease, the Ground Lease and/or the Mesne Lease shall remain in full force and effect without affecting the obligations of Sublessor or Sublessee hereunder.

ARTICLE 21

INVALIDITY OF PARTICULAR PROVISIONS

SECTION 21.01. If any term of provision of this lease 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 held invalid or unenforceable, shall not be affected thereby, and each term and

provision of this lease shall be valid and be enforced to the fullest extent permitted by law.

CON 5024 PAGE 602

77

ARTICLE 22

NOTICES

SECTION 22.01. All notices, demands and requests required under this lease shall be in writing. All such notices, demands and requests shall be deemed to have been properly given if served personally, or if sent by United States registered mail, postage prepaid, addressed as hereinafter provided. All such notices, demands and requests mailed to Sublessor shall be addressed to Sublessor at 60 East 42nd Street, New York, N. Y., c/o Spencer & Iserman, or at such other address in the City and State of New York as Sublessor may from time to time designate by written notice to Sublessee. All such notices, demands and requests to Sublessee shall be addressed to Sublessee at 383 Madison Avenue, New York 17, N. Y., c/o Webb & Knapp, Inc., or at such other address as Sublessee may from time to time designate by written notice to Sublessor. All such notices, demands and requests mailed to any Leasehold Mortgagee shall be addressed to such Leasehold Mortgagee, at the address furnished to Sublessor pursuant to the provisions of Article 18 hereof, or to such other address in the City and State of New York as such Leasehold Mortgagee may from time to time designate by written notice to Sublessee.

SECTION 22.02. Notices, demands and requests which shall be served by registered mail upon Sublessor, Sublessee or any Leasehold Mortgagee in the manner aforesaid, shall be deemed sufficiently served or given for all purposes hereunder at the time such notice, demand or request shall be mailed by United States registered mail as aforesaid in any Post Office or Branch Post Office regularly maintained by the United States Government in the State of New York.

CON 5024 PAGE 603

78

ARTICLE 23

CONDITION OF AND TITLE TO PROPERTY
QUIET ENJOYMENT

SECTION 23.01. Sublessee represents and agrees that the Demised Premises, the title thereto, the sidewalks and structures adjoining the same, any subsurface conditions thereof, and the present uses and non uses thereof, have been examined by Sublessee and that Sublessee accepts the same in the condition or state in which they or any of them now are, without representation or warranty, express or implied in fact or by law, by Sublessor and without recourse to Sublessor, as to the title thereto, the nature, condition or usability thereof or the use or uses to which the Demised Premises or any part thereof may be put.

SECTION 23.02. Sublessor covenants and agrees that Sublessee, upon paying the basic rent, Net Rent, Ground Rent and all other and additional rent and other charges herein provided for and observing and keeping all covenants, agreements and conditions of this lease on its part to be kept, shall quietly have and enjoy the Demised Premises during the term of this lease without hindrance or molestation by anyone claiming by, or through Sublessor, subject, however, to the exceptions, reservations and conditions of this lease.

SECTION 23.03. In case Sublessor shall convey or otherwise dispose of its interest in the Demised Premises, all liabilities and obligations on the part of Sublessor under this lease accruing after such conveyance or disposal shall terminate upon such conveyance or disposal, and thereupon all such liabilities and obligations shall be binding upon the new owner of such interest; provided, however, that any funds held by Sublessor hereunder in which Sublessee has an interest hereunder (except for such funds as Sublessor may have delivered to Landlord pursuant to the terms of the Mesne Lease, which funds may continue

CON 5024 PAGE 604

79

to be held by Landlord) shall be turned over to the new owner of such interest or, to the extent required by Sections 5.05 or 16.11 hereof, to the trustee or trustees provided for in said Sections.

ARTICLE 24

EXCAVATION AND SHORING

SECTION 24.01. If any excavation shall be made or contemplated to be made for building or other purposes upon property or streets adjacent to or nearby the Demised Premises, Sublessee either

(a) shall afford to the person or persons causing or authorized to cause such excavation the right to enter upon the Demised Premises for the purpose of doing such work as such person or persons shall consider to be necessary to preserve any of the walls or structures of the Building from injury or damage and to support the same by proper

foundations, or

(b) shall, at Sublessee's expense (without hereby waiving any claims against the aforesaid person or persons), do or cause to be done all such work as may be necessary to preserve any of the walls or structures of the Building from injury or damages and to support the same by proper foundations.

Sublessee shall not, by reason of any such excavation or work, have any claim against Sublessor for damages or indemnity or for suspension, diminution, abatement or reduction or rent under this lease.

ARTICLE 25

ARBITRATION

SECTION 25.01. In any case in which it is provided by the terms of this lease that any matter shall be determined by arbitration (otherwise than pursuant to the Ground

CON 5024 PAGE 605

80

Lease), such arbitration shall be conducted in accordance with the rules then obtaining of the American Arbitration Association, and judgment upon the award rendered may be entered in any Court having jurisdiction thereof.

SECTION 25.02. In the event that any dispute hereunder shall be submitted to arbitration, and if the same subject matters shall also be in dispute between Landlord and Sublessor under the Mesne Lease and shall have been submitted to arbitration pursuant to the Mesne Lease, the arbitration between Landlord and Sublessor and the arbitration between Sublessor and Sublessee shall be held simultaneously before the same arbitrators, and any decision imposing an obligation or duty upon Sublessor shall be construed as placing a similar obligation or duty upon Sublessee.

ARTICLE 26

MISCELLANEOUS

SECTION 26.01. At any time and from time to time, Sublessor, on at least twenty days' prior written request by Sublessee, and Sublessee, on at least twenty days' prior written request by Sublessor, will deliver to the party making such request 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 same is in full force and effect as modified and stating the modifications) and the dates to which the basic rent and other charges have been paid, whether there are any existing set-offs or defenses to the basic rent and all additional rent and other charges due to Sublessor under this lease, and stating whether or not, to the best knowledge of the party executing such certificate the party requesting such statement is in default in performance of any covenant, agreement or condition contained in this lease and, if so, specifying each such default of which the executing party may have knowledge.

CON 5024 PAGE 606

81

SECTION 26.02. The captions of this lease and the table of contents preceding this lease are for convenience and reference only and in no way define, limit or describe the scope or intent of this lease.

SECTION 26.03. It is the intention of the parties hereto that the estate acquired hereunder by Sublessee shall not merge with or into any other estate, whether lesser or greater, in the demised premises now held or hereafter acquired by said Sublessee or by any disclosed or undisclosed principal of said Sublessee.

SECTION 26.04. In all cases where the consent or approval of Landlord shall be required under this lease or the Mesne Lease, Sublessee shall, prior to performing the act or thing for which such consent or approval is required, furnish Sublessor with proof reasonably satisfactory to Sublessor that such consent or approval has been obtained, and no consent or approval by Sublessor, in any case where the consent or approval of Landlord is also required, shall be effective unless and until such proof has been delivered to Sublessor.

SECTION 26.05. Upon the expiration or earlier termination of this lease, then, unless Sublessor shall have no further interest in the Demised Premises, Sublessee shall deliver to Sublessor all subleases, lease files, plans and all other documents in the possession of Sublessee or its managing agent which may be required for the operation and management of the Demised Premises. This provision shall survive any such expiration or termination of this lease, and Sublessor and Sublessee agree that Sublessor will suffer irreparable injury in the event of violation of this provision, and that Sublessor shall be entitled to a mandatory injunction (including a temporary mandatory injunction, pendente lite) to enforce the provisions hereof.

CON 5024 PAGE 607

82

SECTION 26.06. This lease shall be construed and enforced in accordance with the laws of the State of New York.

SECTION 26.07. The covenants and agreements herein contained shall bind and inure to the benefit of Sublessor, its successors and assigns, and Sublessee, its legal representatives, successors and assigns, except as otherwise provided herein.

IN WITNESS WHEREOF, Sublessor and Sublessee have duly executed this lease the day and year first above written.

/s/ Mary F. Finnegan
----- (L.S.)
(Mary F. Finnegan)

/s/ Rose Iacovone
----- (L.S.)
(Rose Iacovone)

CON 5024 PAGE 609

84

SCHEDULE A

DESCRIPTION OF GRANT OF TERM

The term "GRANT OF TERM" shall mean the instrument made by and between The New York Central Railroad Company (hereinafter in this Schedule and Schedule B hereto called the "Railroad Company") and New York State Realty and Terminal Company (hereinafter in this Schedule and Schedule B hereto called the "Realty Company"), dated July 30, 1925, and recorded in the Office of the Register of the County of New York (now the Office of the Register of the City of New York in the County of New York) on September 12, 1925, in Liber 3505 of Conveyances, at Page 347

(a) as the same may have been modified by agreements dated October 21, 1927, and November 2, 1938, and recorded in said Register's Office in Liber 3672 of Conveyances at Page 388 and Liber 4278 of Conveyances at Page 217 respectively

(b) as the same was amended, modified and extended by instruments dated April 12, 1944, and recorded in said Register's Office on May 26, 1944, in Liber 4287 of Conveyances, at Page 201, and dated September 28, 1953, and recorded in said Register's Office on October 9, 1953, in Liber 4854 of Conveyances, at Page 370; and

(c) as the same was amended, modified and extended by instrument dated December 30, 1957, which instrument was executed and delivered prior to the execution and delivery of the lease to which this Schedule is annexed.

CON 5024 PAGE 610

85

SCHEDULE B

DESCRIPTION OF GROUND LEASE

The term "GROUND LEASE" shall mean the instrument made between the Realty Company, as Lessor, and Eastern Offices, Inc., as Lessee, dated July 30, 1925, and recorded in said Register's Office on September 12, 1925, in Liber 3496 of Conveyances, at Page 183

(a) as the same was modified by agreements dated respectively October 21, 1927, June 19, 1928, and November 2, 1938, and recorded respectively in said Register's Office in Liber 3672 of Conveyances, at Page 388, Liber 3901 of Conveyances, at Page 228, and Liber 4278 of Conveyances, at Page 217,

(b) as the same was further modified and renewed by agreement dated April 5, 1944, and supplemental agreement dated April 12, 1944, and recorded in said Register's Office on May 26, 1944, in Liber 4287 of Conveyances, at Pages 208 and 195, respectively,

(c) as further modified by agreement dated July 20, 1950, and recorded in said Register's Office on August 1, 1950, in Liber 5174 of Conveyances, at Page. 265,

(d) as the same was further amended and the term thereof revised and extended by Modified Agreement of Lease made as of January 1, 1953, and recorded in said Register's Office on October 9, 1953, in Liber 4854 of Conveyances, at Page 307;

(e) as the same was further modified, and the term thereof revised and extended, by Modified Agreement of Lease dated December 30, 1957, which instrument was executed and delivered after the instrument referred to in paragraph (c) of Schedule A and prior to the lease to which this Schedule is annexed.

CON 5024 PAGE 611

86

SCHEDULE C

DESCRIPTION OF MESNE LEASE

The term "Mesne Lease" shall mean the instrument made between Webb & Knapp, Inc. and Graysler Corporation, as Landlord, and Mary F. Finnegan, as Tenant, dated December 30, 1957, which instrument was executed and delivered after the execution and delivery of the instrument referred to in paragraph (e) of Schedule B and prior to the execution and delivery of the lease to which this Schedule is annexed.

OPERATING SUBLEASE
BETWEEN
PRECISION DYNAMICS CORPORATION
AS SUB-SUBLANDLORD
AND
GRAYBAR BUILDING COMPANY
AS SUB-SUBTENANT

Dated, as of June 1, 1964.

Affecting Premises on the Westerly side of Lexington Avenue,
253 feet 4 inches Northerly of 42nd Street

Recorded in the Office of the Register of the City of New York in New York
County on , 19 in Liber of Conveyances at Page .

TABLE OF CONTENTS

PAGE ARTICLE 1. Definitions, Demise and Initial Term
1 ARTICLE 2. Rent
7 ARTICLE 3. Payment of Taxes, Assessments, etc.
13 ARTICLE 4. Surrender
19
ARTICLE 5. Insurance
21
ARTICLE 6. Sub-sublandlords' Rights to Perform Sub-subtenant's Covenants
27 ARTICLE 7. Repairs and Maintenance of the Property
29 ARTICLE 8. Compliance with
Laws, Ordinances, etc.
31
ARTICLE 9. Changes and Alterations
33 ARTICLE 10.
Discharge of Liens
37 ARTICLE
11. Use of Property
38

ii TABLE OF CONTENTS

PAGE ARTICLE 12. Subordination to Prior Leases and Compliance
Therewith
39 ARTICLE 13. Entry on Property by
Sub-sublandlord, etc.
41 ARTICLE
14. Indemnification of Sub-sublandlord
43 ARTICLE 15. Damage or
Destruction
44 ARTICLE 16. Condemnation
48
ARTICLE 17. Vault Space
53
ARTICLE 18. Mortgages, Assignments, Subleases and Transfers of Sub-
subtenant's Interest
54 ARTICLE 19. Conditional Limitations--
Default Provisions
69 ARTICLE 20.
Renewal Privileges
77
ARTICLE 21. Invalidity of Particular Provisions
80 ARTICLE 22. Notices
80

TABLE OF CONTENTS

iii

PAGE ARTICLE 23. Condition of and Title to Property, Quiet
Enjoyment
81 ARTICLE 24. Excavation
and Shoring
82
ARTICLE 25. Arbitration
83 ARTICLE 26. Miscellaneous
84 SCHEDULES: A. Description of Grant of Term
89 B. Description of
Ground Lease
90 C.
Description of Mesne Lease

THIS LEASE dated as of the 1st day of June, 1964, between PRECISION DYNAMICS CORPORATION, a New York corporation, having an office, c/o Kahr & Spitzer & Howard at 405 Park Avenue, New York 22, New York (hereinafter called the "Sub-sublandlord"), and Harry B. Helmsley, d/b/a Graybar Building Company, with an office at 60 East 42nd Street, New York 17, New York (hereinafter called the "Sub-subtenant");

W I T N E S S E T H :

ARTICLE 1

DEFINITIONS, DEMISE AND INITIAL TERM

That for purposes of this lease, unless the context otherwise requires:

- (a) the term "Grant of Term" shall mean the instrument described in Schedule A annexed hereto;
- (b) the term "Ground Lease" shall mean the instrument described in Schedule B annexed hereto;
- (c) the term "Ground Lessor" shall mean the lessor under the Ground Lease, and the term "Ground Lessee" shall mean the lessee under the Ground Lease;
- (d) the term "Ground Rent" shall mean the rental payable under the Ground Lease and therein defined as the "Ground Rental";
- (e) the term "Building" shall have the meaning ascribed thereto in the Ground Lease;
- (f) the term "Demised Premises" shall mean the premises in the Borough of Manhattan, City and State of New York, demised by the Ground Lease, located generally on the westerly side of Lexington Avenue (beginning at a point 253 feet 4 inches northerly of 42nd Street) and known as the Graybar Building and

2

by the street address 420 Lexington Avenue, together with any easements and other rights demised or otherwise provided for the benefit of the Ground Lessee under the Ground Lease;

- (g) the term "Mesne Lease" shall mean the instrument described in Schedule C annexed hereto;
- (h) the term "Landlord" shall mean the landlord under the Mesne Lease and the term "Tenant" shall mean the tenant under the Mesne Lease;
- (i) the term "Net Rent" shall mean the net annual rental payable under the Mesne Lease and therein defined as the "net rent";
- (j) the term "Operating Lease" shall mean the instrument described in Schedule D annexed hereto;
- (k) the term "Sublessor" shall mean the landlord under the Operating Lease and the term "Sublessee" shall mean the tenant under the Operating Lease;
- (l) the term "Basic Rent" shall mean the net an-annual fixed rental payable under the Operating Lease and therein defined as the "basic rent" and the term "Overage Rent" shall mean the additional rent based on 1/3 of the annual net income derived by the Sublessee from the leasehold estate created by the Operating Lease payable thereunder and determined as provided in Section 2.02 thereof and therein defined as "overage rent."
- (m) the term "Sub-subtenant" shall mean the sub-subtenant named herein, and from and after any valid assignment of the whole of sub-subtenant's interest in this lease pursuant to the provisions hereof, shall mean only the assignee thereof;
- (n) the term "Sub-sublandlord" shall mean only the sublessee for the time being under the Operating Lease;

3

- (o) the term "Railroad Company" shall mean the New York Central Railroad Company or its successors or assigns as grantor under the Grant of Term;
- (p) the term "subtenant" shall mean any tenant or licensee of any space in the Demised Premises (other than Ground Lessee, Tenant, Sublessee and Sub-subtenant); the term "sublease" shall mean any lease (other than this lease, the Ground Lease, the Mesne Lease or the Operating Lease) or other agreement for the use and occupancy of any such space; the term "subrent" shall mean any rent or other charge for

such use or occupancy under a sublease; the term "existing sublease" shall mean any sublease made before the date of this lease; and the term "future sublease" shall mean any sublease made on or after said date;

(q) the term "major sublease" shall mean any sub-lease having a remaining unexpired term of six months or more or providing for a fixed subrent at the rate of \$25,000 or more per annum during any year of the term thereof. For purposes of this definition, any two or more subleases with the same person, as subtenant, shall be deemed to be a single sublease providing for a fixed subrent at the aggregate rate per annum specified in such leases;

(r) the term "term of this lease" or words of similar import shall mean the initial term and any renewal term which has become effective;

That Sub-sublandlord is the Sublessee under the Operating Lease; and

That Sub-sublandlord, for and in consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of Sub-subtenant, its successors and assigns, to be paid, kept and performed, does hereby demise and lease to Sub-subtenant, and Sub-subtenant does

4

hereby take and hire from Sub-sublandlord, the Demised Premises,

SUBJECT, however, to the following:

- (1) the Grant of Term;
- (2) the Ground Lease;
- (3) the Mesne Lease;
- (4) the Operating Lease;

(5) state of facts shown on the survey made by George C. Hollerith, dated March 4, 1927, and of J. George Hollerith, dated March 28, 1944 (using lines of plot set forth in record description) drawn and redated to June 1, 1950 by Charles J. Dearing and redated by Earl B. Lovell-S. P. Belcher, Inc., as of September 18, 1953, redated November 10, 1955 by Charles J. Dearing and redated by Charles J. Dearing September 18, 1958, and any additional state of facts which an inspection and more recent accurate survey would show;

(6) easements granted to the City of New York by instrument recorded in the Office of the Register of the County of New York in Liber 193, Section 5 of Conveyances, page 38, as amended by instrument recorded in said Register's Office in Liber 191, Section 5 of Conveyances, page 478; and restrictive agreement recorded in said Register's Office in Liber 3850 of Conveyances, page 488, as modified by agreements set forth in instruments recorded, respectively, in said Register's Office in Liber 3932 of Conveyances, page 131, and Liber 3983 of Conveyances, page 380;

(7) Impositions (as defined in Article 3 hereof), accrued or unaccrued, fixed or not fixed;

(8) revocable nature of any rights, easements, licenses or privileges to use vaults, areas, tunnels, ramps

5

or structures under streets, avenues or sidewalks on which the Demised Premises abut;

(9) consents or grants prior to the date of this lease for the erection of any structures on, under or above said streets or avenues and grants, licenses or consents, if any, with respect to public utility lines and equipment;

(10) right to maintain elevators from the Newsreel Theatre beneath the Demised Premises, as provided in lease recorded in Liber 3944 of Conveyances, page 417, as modified by instrument recorded in Liber 4407 of Conveyances, page 477;

(11) existing subleases and the rights of the subtenants thereunder, it being intended that the leasehold estate of Sub-subtenant created by this lease shall be subject and subordinate to the leasehold estates of said subtenants created by said subleases, notwithstanding the provisions of any clause in any such sublease purporting to subordinate such sublease and the rights of the subtenant thereunder to ground or underlying leases, and Sub-sublandlord, subject to the provisions of Section 18.10 of the Mesne Lease, hereby assigns to Sub-subtenant for the term of this lease all its right, title and interest in and to such existing subleases and the rents and profits due or to become due to Sub-sublandlord under the provisions thereof; and Sub-subtenant hereby agrees to perform and comply with all the obligations of the landlord under each and every such sublease;

- (12) building restrictions and regulations in resolution or

ordinance adopted by Board of Estimate and Apportionment of the City of New York, on July 25, 1916, and the amendments and additions thereto, now in force;

(13) present and future zoning laws, ordinances, resolutions and regulations of the City of New York

6

and all present and future ordinances, laws, regulations and orders of all boards, bureaus, commissions and bodies of any municipal, county, state or federal sovereigns now or hereafter having or acquiring jurisdiction of the Demised Premises and the use and improvement thereof;

(14) revocable nature of the right, if any, to maintain marquees or signs, beyond the building lines;

(15) the effect of all present and future municipal, state and federal laws, orders and regulations relating to subtenants, their rights and rentals to be charged for the use of the Demised Premises or any portion or portions thereof;

(16) violations of law, ordinances, orders or requirements that might be disclosed by an examination and inspection or search of the Demised Premises by any federal, state or municipal departments or authority having jurisdiction, as the same may exist on the date of the commencement of the term of this lease;

(17) the condition and state of repair of the Demised Premises as the same may be on the date of the commencement of the term of this lease;

(18) any defects of title or encumbrances of record or encroachments, existing at the date of the commencement of the term of this lease;

(19) Agreement dated as of July 21, 1960, between Grand Central Building Inc., Graybar Building Associates and Graycrat Corp., recorded in said Register's office on August 8, 1960, in Liber 5123 of Conveyances, page 606; and

(20) Agreement dated February 27, 1958, between Metropolitan Life Insurance Company, Lawrence A. Wien, Webb & Knapp, Inc. and Graysler Corporation,

7

recorded in said Register's office on March 11, 1958, in Liber 5032 of Conveyances, page 430.

TO HAVE AND TO HOLD the same, subject, as aforesaid, unto Sub-subtenant and, subject to the provisions hereof, its successors and assigns, for an initial term commencing on the date hereof, and expiring on May 28, 1976, unless this lease shall sooner terminate as hereinafter provided.

This lease is made upon the following covenants, agreements, terms, provisions, conditions and limitations, all of which Sub-subtenant covenants and agrees to perform and observe:

ARTICLE 2

RENT

SECTION 2.01. Sub-subtenant covenants and agrees to pay to Sub-sublandlord, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, at Sub-sublandlord's address specified in or furnished pursuant to Section 22.01 hereof, during the aforesaid initial term and any and all renewals thereof, a net rental (hereinafter referred to as the "rent") of Four Hundred Fifty Thousand Dollars (\$450,000) annually, in equal monthly installments of Thirty-seven Thousand Five Hundred Dollars (\$37,500) each, in advance on the first day of each calendar month, except that the installment of rent due June 1, 1964, has been paid on the execution and delivery of this lease.

SECTION 2.02. Sub-subtenant shall deposit under the terms of Section 2.05 of the Operating Lease at least one calendar month before same shall become due under the Ground Lease, a sum or sums equal to the Ground Rent as same may be fixed from time to time pursuant to the provisions of the Ground Lease and at the time of making such deposit, or any portion thereof, shall procure and forthwith

8

deliver to Sub-sublandlord the receipt of the Escrow Agent provided for in Section 2.05 of the Operating Lease for the amount so deposited; provided, however, that if Sublessor, pursuant to Section 2.03 of the Operating Lease, shall require Sublessee from time to time to pay the Ground Rent directly to the Ground Lessor on or before the due date thereof, Sub-sublandlord shall give Sub-subtenant prompt notice of such requirement and thereafter Sub-subtenant shall make such payment at least ten days before the due date thereof and shall forthwith furnish to Sublessor and Sub-sublandlord proof reasonably satisfactory

to Sublessor and Sub-sublandlord of the payment thereof. To the extent that it shall be permissible under the Ground Lease and the Mesne Lease, Sub-subtenant may, on behalf of and without expense to Sub-sublandlord, participate in any arbitration or other proceeding by which the Ground Rent is fixed.

SECTION 2.03. Sub-subtenant shall also deposit under the terms of Section 2.05 of the Operating Lease, at least one calendar month before same shall become due under the Mesne Lease, a sum or sums equal to the Net Rent, as same may be fixed from time to time pursuant to the provisions of the Mesne Lease, and at the time of making such deposit, or any portion thereof, shall procure and forthwith deliver to Sub-sublandlord the receipt of said Escrow Agent for the amount so deposited; provided, however, that if Sublessor, pursuant to Section 2.04 of the Operating Lease, shall require Sublessee from time to time to pay the Net Rent directly to Landlord on or before the due date thereof, Sub-sublandlord shall give Sub-subtenant prompt notice of such requirement and thereafter Sub-subtenant shall make such payment at least ten days before the due date thereof and shall forthwith furnish to Sublessor and Sub-sublandlord proof reasonably satisfactory to Sublessor and Sub-sublandlord of the payment thereof.

SECTION 2.04. Sub-sublandlord shall forthwith on the execution of this lease, and from time to time thereafter

9

on the selection of a new Escrow Agent, give irrevocable instructions to said Escrow Agent that Sub-subtenant shall be entitled to the return of all sums deposited after the date of this lease to which the Sublessee shall become entitled under the provisions of Section 2.05 of the Operating Lease in the event of a default by Sublessor as tenant under the Mesne Lease resulting in a termination of the Mesne Lease or in the event of the expiration or sooner termination of the Operating Lease, unless such default or termination shall have resulted directly or indirectly from a default hereunder either by Sub-subtenant or caused by any subtenant. If any of said sums to which Sub-subtenant may become so entitled shall be received by Sub-sublandlord, it shall hold them in trust to pay them over to Sub-subtenant.

In the event that Sub-sublandlord shall become entitled, under the provisions of Section 2.05 of the Operating Lease, to approve the selection of the Escrow Agent, Sub-sublandlord will not give such approval unless it shall first notify Sub-subtenant of the attorney or attorneys selected as Escrow Agent and Sub-subtenant either gives its approval of such selection or fails to act on such notice within five days after receipt thereof.

SECTION 2.05. Sub-subtenant shall also pay, as additional rent during the term of this lease, directly to Sublessor on or before the due date thereof, the installments of Basic Rent payable from time to time pursuant to the provisions of the Operating Lease, and shall furnish to Sub-sublandlord a receipt by Sublessor for each such payment, or any partial payment on account thereof, within the grace periods stipulated in Section 19.01(b) hereof.

SECTION 2.06. Sub-subtenant shall also pay, as additional rent during the term of this lease, Overage Rent as and when the same shall become due and payable, from time to time, pursuant to the provisions of the Operating Lease, such Overage Rent to be computed and determined

10

as provided in Section 2.02 of the Operating Lease with the same force and with like effect as if this lease were not in existence but as if the "annual net income" referred to in said Section 2.02 were based on the gross income for any calendar year derived by Sub-subtenant from the leasehold estate created by this lease. Payment of such Overage Rent shall be made directly to Sublessor, except that after a payment of Overage Rent has been so made to Sublessor (unless otherwise provided in Section 2.11 hereof), one-twelfth of such payment shall be deposited in escrow on the first day of each of the next twelve succeeding months to be held for application to the Overage Rent, if any, which shall next become due and payable. Such deposits shall be made with Sub-sublandlord, unless Sub-subtenant shall elect that they shall be made with a bank or trust company selected by Sub-subtenant whose fees and charges shall be paid by Sub-subtenant. If there shall be no Overage Rent due at the end of any such twelve months period, the amounts on deposit shall be refunded to Sub-subtenant and Sub-subtenant shall not be required to make such deposits for the following year. Promptly after making payment of Overage Rent, the party making the same shall submit reasonably satisfactory proof of such payment to the other party, or in the case of payment by such bank or trust company, to both parties hereto. Sub-subtenant shall furnish to Sub-sublandlord such financial statements as are required under Section 2.02 of the Operating Lease.

SECTION 2.07. It is the purpose and intent of Sub-sublandlord and Sub-subtenant that the rent shall be net to Sub-sublandlord, so that this lease shall yield, net, to Sub-sublandlord the rent specified in Section 2.01 hereof in each year during the initial term of this lease and any and all renewals thereof, and that all costs, expenses and charges of every kind and nature relating to the Demised Premises (except the taxes of Landlord, Sublessor and Sub-sublandlord referred to in Section 3.03 of Article 3

11

hereof and any payments on account of interest or principal under any mortgage or deed of trust which shall be a lien on the fee of the premises of which the Demised Premises are a part, or on the estate created by the Grant of Term, on

the leasehold estate created by the Ground Lease, on the leasehold estate created by the Mesne Lease or on the leasehold estate created by the Operating Lease), which may arise or become due during or out of the term of this lease shall be paid by Sub-subtenant, and that Sub-sublandlord shall be indemnified and saved harmless by Sub-subtenant from and against the same.

SECTION 2.08. The rent, Basic Rent, Overage Rent, Net Rent and Ground Rent shall be paid or deposited without notice or demand and without abatement, deduction or setoff, except as otherwise expressly provided in this lease.

SECTION 2.09. All sums (other than the rent, but including Basic Rent, Overage Rent, Net Rent and Ground Rent) which may be or become due and payable or are to be deposited by Sub-subtenant pursuant to any provision of this lease shall be deemed to be additional rent hereunder and, except as in this lease otherwise expressly provided, shall be paid or deposited without notice or demand and without abatement, deduction or set-off, and, upon the failure of Sub-subtenant to pay or deposit any such sums, then, at the option of Sub-sublandlord, the same may be added to any installment of rent then due or thereafter becoming due; and Sub-sublandlord shall have the same rights and remedies in the event of the non-payment or non-deposit thereof by Sub-subtenant as in the case of default in the payment of rent.

SECTION 2.10. All of the subrents, income, issues and profits collected by Sub-subtenant from the Demised Premises shall be deposited in a separate bank account in a bank or trust company selected by Sub-subtenant, and shall be deemed trust funds to be applied, except as provided in Section 2.11 hereof, to the payment of all of the obligations

12

of Sub-subtenant accruing under the terms of this lease during the then current calendar year, including the Overage Rent for such calendar year. The balance, if any, of monies so deposited during each such calendar year may not be withdrawn by Sub-subtenant for its own use, except as otherwise provided in Section 2.11 hereof, until the time of furnishing the financial statements under Section 2.06 for such calendar year.

Each payment or bonus paid to Sub-subtenant in consideration of the modification, cancellation or termination of any sublease, shall be deposited in the aforesaid account and shall be applied as provided in the preceding paragraph until the earlier of (i) the date of expiration of the sublease in question, or (ii) the date on which the space covered thereby shall have been relet to one or more subtenants having financial standing, in the aggregate, equal to or greater than the financial standing of the subtenant under the cancelled or terminated sublease, at a subrent or subrents aggregating not less than the subrent payable under the cancelled or terminated sublease, when the amount so deposited or the unapplied balance thereof may be withdrawn by Sub-subtenant for its own use, provided there shall then be no existing Event of Default.

SECTION 2.11. In the calendar year 1964 and in subsequent calendar years, if Sub-subtenant shall not desire to make monthly deposits on account of Overage Rent as provided in Section 2.06 hereof or shall desire to withdraw monies deposited under Section 2.10 at more frequent intervals than therein provided, Sub-subtenant may submit to Sub-sublandlord not more than 90 days after the end of each calendar month, monthly statements of net income prepared in accordance with the provisions of Section 2.02 of the Operating Lease, showing, on a cumulative basis for such calendar year, the estimated Overage Rent accrued during the month or months covered by such statement (the "minimum net income" as such term is defined in said Section 2.02 to be prorated according

13

to the number of months covered by each such statement). If any such statement shall disclose that after paying all rent, additional rent and other charges hereunder, together with the expenses of operation, due and payable during the period covered by such statement, there shall remain on deposit in the separate bank account provided for in Section 2.10 hereof in excess of an amount sufficient to cover the estimated Overage Rent shown as accrued by said statement, Sub-subtenant may withdraw the excess for its own use and shall not be required to make the deposits required under Section 2.06 hereof. If Sub-sublandlord shall dispute any computation made in any such monthly statement, there shall be no such withdrawal by Sub-subtenant until such dispute shall be settled, either by agreement or by arbitration pursuant to Article 25 hereof; it being the intent of this provision that at all times the trust funds held under Section 2.06 shall not be invaded if the ability of Sub-subtenant to make the payments therefrom required hereunder shall be jeopardized.

SECTION 2.12. Upon request by Sub-sublandlord, all payments or deposits of Basic Rent, Net Rent, Overage Rent, Ground Rent or tax deposits required to be made by Sub-subtenant pursuant to Sections 2.02, 2.03, 2.05, 2.06 and 3.02 hereof shall be made by Sub-subtenant directly to Sub-sublandlord, who shall receive such payments or deposits as a trust fund, and shall apply them to the payments or deposits required under said sections. In such event Sub-sublandlord shall deliver to Sub-subtenant copies of the receipts or acknowledgments which Sub-subtenant would be required to deliver to Sub-sublandlord under said sections.

ARTICLE 3

PAYMENT OF TAXES, ASSESSMENTS, ETC.

SECTION 3.01. Subject to the provisions of Sections 3.03 and 3.05 hereof, Sub-subtenant shall pay or deposit, at the times and in the manner specified in

Operating Lease all amounts payable by Tenant pursuant to Section 3.01 of the Mesne Lease in respect of taxes, charges, assessments and water and sewer rents; and Sub-subtenant shall also pay before any fine, penalty, interest or cost may be added thereto, or become due or be imposed by operation of law for the nonpayment thereof, any and all other taxes, assessments, rents, rates, charges for public utilities, excises, levies, vault and all other license and permit fees and other governmental charges, general and special, ordinary and extraordinary, unforeseen and foreseen, of any kind and nature whatsoever, which at any time prior to or during the term of this lease may be assessed, levied, confirmed, imposed upon, or grow or become due and payable out of or in respect of, or become a lien on, the Demised Premises or any part thereof or any appurtenance thereto, the income received from subtenants, any use or occupation of the Demised Premises, and such franchises as may be appurtenant to the use of the Demised Premises, this transaction or any document to which Sub-subtenant is a party creating or transferring an interest or estate in the Demised Premises, and any document heretofore executed and delivered creating or transferring the interest of Landlord, Sublessor or Sub-sublandlord in the Demised Premises (all such taxes, assessments, rents, rates, excises, levies, fees and other charges being hereinafter referred to as "Impositions", and any of the same being hereinafter referred to as an "Imposition").

SECTION 3.02. All Impositions payable by Sub-subtenant hereunder, other than real estate taxes, shall be paid by Sub-subtenant (a) to Sublessor at least fifteen days before the date on which the same shall become payable by Sub-lessor to Landlord pursuant to Article 3 of the Mesne Lease, or (b) if permitted by the Mesne Lease, directly to the governmental authority to which said Imposition is payable, on or before the last day on which the same may be paid without penalty.

Sub-subtenant's obligations with respect to the payment of real estate taxes shall be discharged in the following manner: On the 1st day of each month Sub-subtenant shall deposit with the Escrow Agent provided for in Section 2.05 of the Operating Lease a sum equal to one-twelfth of that portion of the real estate taxes for the then current tax year which is required to be paid pursuant to the Mesne Lease or, in the event that the amount of such real estate taxes shall not then have been fixed, such deposit shall be based upon real estate taxes for the preceding tax year, all as required by Section 3.02 of the Operating Lease. At the time of making any such deposit, Sub-subtenant shall procure and forthwith deliver to Sub-sublandlord the receipt of said Escrow Agent for the amount deposited. Sub-sublandlord will furnish to Sub-subtenant, promptly after receipt thereof, the proof of payment of the portion of real estate taxes payable under Article 3 of the Mesne Lease furnished to Sub-sublandlord by the Escrow Agent. In the event that the accumulated monthly deposits shall be insufficient to pay any portion of such real estate taxes under the Mesne Lease at least thirty days prior to the date when the same shall become due and payable thereunder, Sub-subtenant shall, immediately upon demand by Sub-sublandlord, deposit with the Escrow Agent an additional sum which, when added to such accumulated deposits, shall be sufficient to pay such real estate taxes. Any excess of such deposits in the hands of the Escrow Agent immediately after such payment under the Mesne Lease shall be credited on account of the next monthly deposit.

SECTION 3.03. Nothing herein contained shall require Sub-subtenant to pay income or gross receipts taxes or corporation franchise or excess profits taxes or estate, inheritance, succession or transfer taxes or capital levies assessed against or imposed upon Landlord, Sublessor or Sub-sublandlord; provided, however, that if at any time during the term of this lease the methods of taxation prevailing

at the commencement of the term hereof shall be altered so as to cause the whole or any part of the taxes, assessments, levies, impositions or charges now or hereafter levied, assessed or imposed on real estate and the improvements thereon to be levied, assessed and imposed wholly or partially on the rents received therefrom, or to be measured by or based, in whole or in part, upon the Demised Premises and imposed upon Landlord, Sublessor or Sub-sublandlord, then all such taxes, assessments, levies, impositions or charges, or the part thereof so levied, assessed, imposed, measured or based, shall be deemed to be included within the term "Impositions" for the purposes hereof, to the extent that such Impositions would be payable if the leasehold estates in the Demised Premises created by the Ground Lease, the Mesne Lease and the Operating Lease were the only property of Landlord, Sublessor and Sub-sublandlord, respectively, subject to such Impositions, and Sub-subtenant shall pay and discharge the same as herein provided in respect of the payment of Impositions.

Nothing herein shall require Sub-subtenant to pay any portion of the Impositions in respect of the Demised Premises which shall be payable by the Ground Lessor except to the extent that Sublessor, as Tenant under the Mesne Lease, shall be obligated to pay, or reimburse the Landlord thereunder for the payment of, the same.

SECTION 3.04. If Sublessor, pursuant to Section 3.04 of the Operating Lease, shall require Sublessee, from time to time, in lieu of making monthly deposits pursuant to Section 3.02 of the Operating Lease, to pay directly to the Ground Lessor on or before the due date thereof all amounts payable to Ground

Lessor in respect of Impositions pursuant to Paragraph First of the Ground Lease, Sub-sublandlord shall give Sub-subtenant prompt notice of such requirement and thereafter Sub-subtenant will make like monthly deposits with Sub-sublandlord, or with a bank or trust company selected by Sub-sublandlord and

17

whose fees and charges shall be paid by Sub-subtenant. Such deposits shall be applied to the making of such payments and Sublessor and Sub-subtenant (and also Sub-sublandlord if it shall not have been the recipient of such deposits) promptly after payment thereof, shall be furnished with receipts for all Impositions so paid pursuant to this Article to persons other than Sublessor. Sub-sublandlord will deliver to Sub-subtenant copies of any bills or notices received by Sub-sublandlord with respect to any Impositions payable by Sub-subtenant. To the extent that same is permissible under the Ground Lease, the Mesne Lease and the Operating Lease, Sub-subtenant may, at its sole cost and expense, participate on behalf of Sub-sublandlord in any arbitration proceeding held pursuant to Paragraph First of the Ground Lease for the purpose of determining the proportion of any Imposition payable by the Ground Lessor, and the portion thereof payable by the Ground Lessee.

SECTION 3.05. Sub-subtenant shall have the right to contest the amount or validity, in whole or in part, of any Imposition by appropriate proceedings diligently conducted in good faith and (if payment of such Imposition would operate as a bar to such contest or interfere materially with the prosecution thereof) may postpone or defer payment of such Imposition, provided that

(a) neither the Demised Premises nor any part thereof would, by reason of such postponement or deferment, be in danger of being forfeited or lost,

(b) such contest (if in respect of any Imposition payable under the Mesne Lease) shall be permitted by the Mesne Lease and Sub-subtenant shall furnish all security and indemnities as are required under the Mesne Lease to be furnished by Tenant under such circumstances,

(c) such postponement or deferment (if in respect of any Imposition payable under the Mesne Lease)

18

will entitle Sublessor, as Tenant, to a corresponding postponement or deferment under the Mesne Lease, and

(d) in case of any such postponement or deferment, Sub-subtenant shall have deposited with Sublessor the amount so contested and unpaid, together with all interest and penalties in connection therewith and all charges that may or might be assessed against or become a charge on the Demised Premises or any part thereof in such proceedings, or shall have furnished to Sublessor security reasonably satisfactory to Sublessor sufficient to cover said amount, interest, penalties and charges.

Upon the termination of any such proceedings, Sub-subtenant shall pay the amount of such Imposition or part thereof as finally determined in such proceedings, the payment of which may have been deferred during the prosecution of such proceedings, together with any costs, fees, interest, penalties or other liabilities in connection therewith, and, upon such payment, Sub-sublandlord shall return, without interest, any amount deposited with Sub-lessor and returned by it to Sub-sublandlord with respect to such Imposition as aforesaid, or, at the written request of Sub-subtenant, Sub-sublandlord shall cause Sublessor to make available to Sub-subtenant, upon such reasonable conditions as Sublessor may prescribe, the amount of such deposit for the making of such payment as aforesaid. If, at any time during the continuance of such proceedings, Sublessor shall deem any amount deposited as aforesaid insufficient, Sub-subtenant shall, upon demand by Sub-sublandlord, make an additional deposit, as aforesaid, of such additional sum as Sublessor may request of Sub-sublandlord, and upon failure of Sub-subtenant so to do, the amount theretofore deposited may be applied by Sublessor to the payment, removal and discharge of such Imposition, and the interest and penalties in connection therewith

19

and any costs, fees or other liability accruing in any such proceedings, and the balance, if any, returned to Sub-sublandlord shall be turned over to Sub-subtenant.

SECTION 3.06. Sub-sublandlord shall not be required to join in any proceedings referred to in Section 3.05 hereof unless the Mesne Lease or the Operating Lease or the provisions of any applicable law, rule or regulation at the time in effect shall require that such proceedings be brought by and/or in the name of Sub-sublandlord, in which event Sub-sublandlord shall join in such proceedings or permit the same to be brought in its name. Sub-sublandlord shall not ultimately be subjected to any liability for the payment of any costs or expenses in connection with any such proceeding, and Sub-subtenant shall indemnify and save harmless Sub-sublandlord from any such costs and expenses. Sub-subtenant, if not in default hereunder, shall be entitled to any refund of any Imposition and penalties or interest thereon received by Sub-sublandlord, either directly or from Sublessor, which have been paid by Sub-subtenant, or which have been paid by Sub-sublandlord but previously reimbursed in full by

Sub-subtenant, and which, in either event, shall not be payable to the Ground Lessor.

SECTION 3.07. Sub-sublandlord will promptly deliver to Sub-subtenant any bill that may have been rendered to Sub-sublandlord with respect to Impositions and the portion thereof payable by Sub-subtenant pursuant hereto.

ARTICLE 4

SURRENDER

SECTION 4.01. On the last day of the term hereof or upon any earlier termination of this lease, or upon any re-entry by Sub-sublandlord upon the Demised Premises pursuant to Article 19 hereof, Sub-subtenant shall surrender

20

the Demised Premises, together with all fixtures and articles of personal property attached to or used in the operation thereof, into the possession and use of Sub-sublandlord without delay and, subject to the provisions of Section 15.03 hereof, in good order, condition and repair, reasonable wear and tear excepted, free and clear of all lettings and occupancies other than subleases permitted by this lease and any existing subleases and free and clear of all liens and encumbrances other than those, if any, permitted by this lease or created or consented to by Sub-sublandlord.

SECTION 4.02. Where furnished by or at the expense of any subtenant, furniture, trade fixtures and business equipment (not constituting part of the Demised Premises) may be removed by such subtenant at or prior to the termination of its sublease, provided, however, that the removal thereof will not contravene the provisions of the Ground Lease, the Mesne Lease or the Operating Lease and that Sub-subtenant shall with due diligence, and without expense to Sub-sublandlord, cause the Building to be promptly restored to its condition prior to such removal and cause any injury due to such removal to be promptly repaired.

SECTION 4.03. Any personal property of Sub-subtenant or any subtenant which shall remain in the Building after the termination of this lease or any sublease and the removal of Sub-subtenant or such subtenant from the Building, may, at the option of Sub-sublandlord be deemed to have been abandoned by Sub-subtenant or such subtenant and either may be retained by Sub-sublandlord as its property or be disposed of, without accountability, in such manner as Sub-sublandlord may see fit.

SECTION 4.04. Sub-sublandlord shall not be responsible for any loss or damage occurring to any property owned by Sub-subtenant or any subtenant.

SECTION 4.05. The provisions of this Article 4 shall survive any termination of this lease.

21

ARTICLE 5

INSURANCE

SECTION 5.01. Sub-subtenant, at its sole cost and expense, shall keep the Building insured, during the term of this lease, against loss or damage by fire, lightning, wind-storm, hail, explosion, riot and civil commotion, aircraft and vehicles and smoke, and all other available extended coverage (with provisions for deduction of not more than \$50) in an amount which is not less than 100% of the replacement value of the Building, without any deduction being made for depreciation, to the extent such insurance is available. Such replacement value shall be determined from time to time, but not more frequently than once in any 24 consecutive calendar months, at the request of Sub-sublandlord, by one of the insurers or, at the option of Sub-sublandlord by an appraiser, architect or contractor who shall be reasonably acceptable to Landlord, Sublessor, Sub-sublandlord and Sub-subtenant. No omission on the part of Sub-sublandlord to request any such determination shall relieve Sub-subtenant of its obligation hereunder.

SECTION 5.02. Sub-subtenant, at its sole cost and expense, shall maintain:

(a) comprehensive general public liability insurance against claims for bodily injury, death or property damage, occurring thereon, in or about the Demised Premises or the elevators or any escalator therein and on, in or about the adjoining streets, property and passageways, such insurance to afford minimum protection, during the term of this lease, of not less than \$500,000 in respect of bodily injury or death to any one person, and of not less than \$2,000,000 in respect of any one accident, and of not less than \$100,000 for property damage;

22

(b) boiler insurance, provided the Building contains a boiler, and, if requested by Sublessor, plate glass insurance;

(c) war risk insurance upon the Building as and when such insurance is obtainable from the United States of America, or any agency or instrumentality thereof, in an amount equal to the lesser of the full replacement value thereof or the maximum amount of such

insurance obtainable;

(d) rent insurance against loss of rent due to the risks referred to in Section 5.01 hereof (including those embraced by available extended coverage) in an amount sufficient to prevent Sub-sublandlord (and Sub-subtenant, if named as an insured) from being a co-insurer within the terms of the policy or policies in question, but in any event in an amount not less than the rent, Basic Rent, Net Rent, Ground Rent and all estimated Overage Rent and other additional rent hereunder, for eighteen months; and in the event that the Building shall be destroyed or seriously damaged, Sub-subtenant shall cause to be deposited with Sublessor so much of the proceeds of such insurance as shall equal the Basic Rent, Net Rent and other additional rent under the Operating Lease for one year and shall deposit the balance of such proceeds with Sub-sublandlord for application to the payment of the rent hereunder. Sublessor may deposit with Landlord, out of the insurance proceeds so deposited with Sublessor, the amount required to be deposited by Sublessor, as Tenant, under Section 5.02(d) of the Mesne Lease, to be held and applied by Landlord in the manner therein provided, and the balance of such proceeds less such amount as shall be necessary, with the portion of said proceeds theretofore deposited with Sub-sublandlord, to equal the rent payable for a

23

period of twelve months (which amount shall be paid to and held and applied by Sub-sublandlord as herein provided), shall be held and applied by Sublessor on account of the payment of such Basic Rent and additional rent under the Operating Lease until the restoration of the Building, at which time, provided Sub-subtenant is not then in default, the balance, if any, of such deposit, returned by Sublessor to Sublessee and any unapplied sums retained by Sub-sublandlord shall be returned to Sub-subtenant; and

(e) such other insurance, and in such amounts, as may from time to time be reasonably required by Sub-sublandlord against other insurable hazards which at the time are commonly insured against in the case of premises similarly situated, due regard being given to the height and type of building, its construction, use and occupancy.

Sub-subtenant shall not violate or permit to be violated any of the conditions or provisions of any policy provided for in Sections 5.01 or 5.02 hereof and Sub-subtenant shall so perform and satisfy the requirements of the companies writing such policies that at all times companies of good standing satisfactory to Sub-sublandlord shall be willing to write and/or to continue such insurance.

SECTION 5.03. Sub-subtenant may effect for its own account any insurance not required under the provisions of this lease, but any insurance effected by Sub-subtenant on the Building, whether or not required under this Article 5, shall be for the benefit of Landlord, Sublessor, Sub-sublandlord and Sub-subtenant, and, if required by Sublessor, any leasehold mortgagee of the Mesne Lease, and, if required by Sub-sublandlord, any leasehold mortgagee of the Operating Lease, and shall be subject to all other provisions of this Article 5 and of Article 15 hereof. Sub-subtenant shall promptly and notify Sub-sublandlord of the issuance of any such insurance.

24

SECTION 5.04. All insurance provided for in this Article 5 shall be effected under valid and enforceable policies issued by insurers of recognized responsibility which are licensed to do business in the State of New York, are well rated by national rating organizations, and have been approved in writing by Landlord, by Sublessor and by Sub-sublandlord (such approval not to be unreasonably withheld) and, in the case of insurance provided for in Section 5.01 hereof, by the Ground Lessor. Upon the execution of this lease, and thereafter not less than twenty days prior to the expiration dates of the expiring policies theretofore furnished pursuant to this Article 5 or Article 9 hereof, originals of the policies, bearing notations evidencing the payment of premiums or accompanied by other evidence satisfactory to Landlord, to Sublessor and to Sub-sublandlord of such payment, shall be delivered by Sub-subtenant to Sub-sublandlord. Said policies shall be held by Sub-sublandlord, or at its option, may be delivered to and deposited with the Landlord, the Ground Lessor or Sub-lessor. Upon request by Sub-sublandlord, Sub-subtenant shall furnish one or more duplicate copies of any policy.

If permitted by Landlord under the Mesne Lease, any insurance provided for in this Article 5 may be effected by a policy or policies of blanket insurance, provided however that either (a) any such policy or policies of blanket insurance shall specify therein, or (b) Sub-subtenant shall furnish Sub-sublandlord with a written statement from the insurers under such policy or policies specifying, the amount of the total insurance allocated to the Demised Premises; and provided further, that in all other respects, any such policy or policies shall comply with the other provisions of this lease.

SECTION 5.05. All policies of insurance provided for in Sections 5.01 and 5.02 hereof shall name Landlord, Sublessor, Sub-sublandlord and (in the case of those provided for in Section 5.01) the Ground Lessor, as the insureds, as

25

their respective interests may appear. Subject to the provisions of the Ground

Lease, such policies may also name Sub-subtenant as an insured, as its interest may appear, and may be made payable, subject to the provisions of this lease, to any leasehold mortgagee of this lease, the Mesne Lease or the Operating Lease, as their interests may appear, pursuant to a standard mortgagee clause. The loss, if any, under any policies provided for in such Section 5.01 and in paragraphs (c) and (e) of Section 5.02 shall be adjusted with the insurance companies by (a) Sub-subtenant, in the case of any particular casualty resulting in damage or destruction not exceeding \$100,000 in the aggregate, or (b) Landlord, Sublessor, Sub-sublandlord, Sub-subtenant, and any leasehold mortgagee of this lease, the Mesne Lease or the Operating Lease, in the case of any particular casualty resulting in damage or destruction exceeding \$100,000 but not exceeding \$250,000 in the aggregate, or (c) by Landlord and (to the extent required or permitted by the Ground Lease and the Mesne Lease) by the Ground Lessor, Sublessor, Sub-sublandlord, Sub-subtenant, and/or any leasehold mortgagee of this lease, the Mesne Lease and/or the Operating Lease, as their respective interests may appear in the case of any particular casualty resulting in damage or destruction exceeding \$250,000 in the aggregate. The proceeds of any such insurance, as so adjusted, shall be payable:

(i) to Sub-subtenant, in the case of any particular casualty resulting in damage or destruction not exceeding \$100,000 in the aggregate, or

(ii) to Landlord (or, at Sublessor's election, to an insurance trustee which shall be a bank or trust company which is a member of the New York Clearing House Association, selected by Sublessor as provided in Section 5.05 of the Operating Lease, and whose charges shall be paid by Sub-subtenant), for the purposes set forth in Article 15, in the case of any particular

26

casualty resulting in damage or destruction exceeding \$100,000, but not exceeding \$250,000, in the aggregate, or

(iii) in the case of any particular casualty resulting in damage or destruction exceeding \$250,000 in the aggregate, either (A) to the insurance trustee designated pursuant to Paragraph Seventh of the Ground Lease in the case of proceeds of insurance provided for in Section 5.01 hereof or (B) to Landlord (or, at Sublessor's election, to an insurance trustee selected as provided in clause (iii) of Section 5.05 of the Operating Lease), for the purposes set forth in Article 15 hereof, in the case of proceeds of insurance provided for in Section 5.02 hereof.

All such policies shall provide that the loss, if any, thereunder shall be adjusted and paid as hereinabove provided. Each such policy shall contain (if obtainable) a provision that no act or omission of Sub-subtenant shall affect or limit the obligation of the insurance company to pay to Landlord, Sublessor and Sub-sublandlord the amount of any loss sustained and an agreement by the insurer that such policy shall not be cancelled without at least ten days' prior written notice to Landlord, Sublessor, Sub-sublandlord and (in the case of policies provided for in Section 5.01) the Ground Lessor.

SECTION 5.06. If, at any time during the term of this lease, Sub-sublandlord shall request that the amount of liability insurance provided by Sub-subtenant, as required by Section 5.02 hereof and paragraph (g) of Section 9.01 hereof, be increased on the ground that such coverage is inadequate properly to protect the interest of Sub-sublandlord, or if Sub-sublandlord shall require other insurance pursuant to the provisions of paragraph (e) of Section 5.02 hereof and Sub-subtenant shall refuse to comply with any such request or requirement, the dispute shall be submitted

27

to arbitration as provided in Article 25 hereof. Sub-subtenant shall thereafter carry the amount, and such kind, of insurance as determined by such arbitration to be adequate and required, but in no event shall the amount of public liability insurance be less than the amounts specified in Section 5.02 hereof and in paragraph (g) of Section 9.01 hereof.

SECTION 5.07. Upon the expiration of this lease, the unearned premiums upon any transferable insurance policies lodged with Sub-sublandlord by Sub-subtenant shall be apportioned, if Sub-subtenant shall not then be in default in the performance of any of Sub-subtenant's covenants, agreements and undertakings in this lease.

SECTION 5.08. Upon request of Sub-Subtenant, Sub-sublandlord will request Sublessor to designate an insurance trustee as provided in Section 5.05 of the Operating Lease and will also request that Sublessor select as such insurance trustee such bank or trust company which is a member of the New York Clearing House Association as shall be specified by Sub-sublandlord in such request.

ARTICLE 6

SUB-SUBLANDLORD'S RIGHTS TO PERFORM SUB-SUBTENANT'S COVENANTS

SECTION 6.01 If Sub-subtenant shall at any time fail to pay any Imposition in accordance with the provisions of Article 3 hereof, or to pay for or maintain any of the insurance policies provided for in Article 5 hereof, or to make any other payment or perform any other act on its part to be made or performed hereunder, then Sub-sublandlord, after ten days' notice to Sub-subtenant (or, if necessary to avoid a default under the Mesne Lease after five days' notice, or,

in case of any emergency, on such notice, or without notice, as may be reasonable under the

28

circumstances) and without waiving, or releasing Sub-subtenant from, any obligation of Sub-subtenant hereunder, may (but shall not be required to):

(a) pay any Imposition payable by Sub-subtenant pursuant to the provisions of Article 3 hereof, or

(b) pay for and maintain any of the insurance policies provided for in Article 5 hereof, or

(c) make any other payment or perform any other act on Sub-subtenant's part to be made or performed as in this lease provided,

and may enter upon the Demised Premises for the purpose and take all such action thereon as may be necessary therefor.

SECTION 6.02. All sums so paid by Sub-sublandlord and all costs and expenses incurred by Sub-sublandlord in connection with the performance of any such act (together with interest thereon at the rate of 6% per annum from the respective dates of Sub-sublandlord's making of each such payment or incurring of each such cost and expense) shall constitute additional rent payable by Sub-subtenant under this lease and shall be paid by Sub-subtenant to Sub-sublandlord on demand, and Sub-sublandlord shall not be limited in the proof of any damages which Sub-sublandlord may claim against Sub-subtenant arising out of or by reason of Sub-subtenant's failure to provide and keep in force insurance as aforesaid, to the amount of the insurance premium or premiums not paid or incurred by Sub-subtenant and which would have been payable upon such insurance, but Sub-sublandlord shall also be entitled to recover as damages for such breach, the uninsured amount of any loss (to the extent of any deficiency in the insurance required by the provisions of this lease), damages, costs and expenses of suit suffered or incurred by reason of damage to, or destruction of, the Demised

29

Premises, occurring during any period when Sub-subtenant shall have failed or neglected to provide insurance as aforesaid. However, any amount so recovered by the Sub-sublandlord for damages to the Demised Premises shall be subject to the provisions of Article 15 hereof.

ARTICLE 7

REPAIRS AND MAINTENANCE OF THE PROPERTY

SECTION 7.01. During the term of this lease, Sub-subtenant, at its sole cost and expense, will take good care of the Building (including the fixtures and facilities therein), and the sidewalks, driveways and curbs adjoining the Building and will maintain and keep the same in good order and condition, and make all necessary repairs thereto, interior and exterior, structural and non-structural, ordinary and extraordinary, and foreseen and unforeseen, unless prohibited by the Ground Lease and not consented to by Ground Lessor. When used in this Article 7, the term "repairs" shall include all necessary replacements, renewals, alterations, additions and betterments. All repairs made by Sub-subtenant shall be equal in quality and class to the original work. Nothing in this Section contained shall obligate Sub-subtenant to repair any portion of the Building excepted from the Demised Premises if and to the extent that the Ground Lessor is obligated under the Ground Lease to make such repairs at its own cost and expense without reimbursement from Landlord as Ground Lessee.

SECTION 7.02. The necessity for and adequacy of repairs to the Building pursuant to Section 7.01 hereof shall be measured by the standard which is appropriate for buildings of similar construction and class, provided that Sub-subtenant shall in any event make all repairs required to be made by the Sublessee under the Operating Lease.

30

SECTION 7.03. Sub-subtenant shall maintain all portions of the Building and the adjacent sidewalks, driveways and curbs in a clean and orderly condition, free of dirt, rubbish, snow, ice and unlawful obstructions; provided, however, that Sub-subtenant shall not be responsible for the maintenance, lighting, cleaning and policing of the passageway extending from Lexington Avenue to the Grand Central Terminal building, but Sub-subtenant shall pay to Sublessor (or, on Sublessor's written request, to the Railroad Company), promptly upon rendition of bills therefor, the portion of the expense of such maintenance, lighting, cleaning and policing which Sublessor is required to pay as Tenant under the Mesne Lease.

SECTION 7.04. Sub-sublandlord shall not be required to furnish any services or facilities, or to make any repairs or alterations, in or to the Building, Sub-subtenant hereby assumes full responsibility for the condition, operation, repair, replacement, maintenance and management of the Building except to the extent that (in the case of portions thereof excepted from the Demised Premises) the Ground Lessor is responsible therefor under the Ground Lease. Sub-subtenant is and shall be in exclusive control and possession of the Demised Premises as provided herein, and Sub-sublandlord shall not in any event whatsoever be liable for any injury or damage to any property or to any person happening on or about

the Demised Premises, nor for any injury or damage to the Demised Premises, nor to any property of Sub-subtenant, or of any other person contained therein. The provisions hereof permitting Sub-Sublandlord to enter and inspect the Demised Premises are made for the purpose of enabling Sub-sublandlord to be informed as to whether Sub-subtenant is complying with the agreements, terms, covenants and conditions hereof, and to do such acts as Sub-subtenant shall fail to do.

31

SECTION 7.05. During the initial term of this lease, Sub-subtenant shall, upon written request of Landlord, appoint from a list submitted by Landlord of at least four real estate firms specializing in the management and operation of high grade office buildings in the Borough of Manhattan, one such firm to act as its agent in the management of the Demised Premises. After any such appointment of an agent, upon thirty days' notice from Landlord, Sub-subtenant shall replace any such agent by appointment of another from a list of at least six such firms submitted by Landlord. Sub-subtenant may at any time substitute or replace such appointed agent with any other agent selected from the last-furnished list.

ARTICLE 8

COMPLIANCE WITH LAWS, ORDINANCES, ETC.

SECTION 8.01. During the term of this lease, Sub-subtenant, at its sole cost and expense, shall promptly comply with all present and future laws, ordinances, orders, rules, regulations and requirements of all federal, state and municipal governments, courts, departments, commissions, boards and officers, any national or local Board of Fire Underwriters, or any other body exercising functions similar to those of any of the foregoing, foreseen or unforeseen, ordinary as well as extraordinary, which may be applicable to the Demised Premises and the sidewalks, curbs and vaults adjoining the Demised Premises or to the use or manner of use of the Demised Premises or the owners, tenants or occupants thereof, whether or not such law, ordinance, order, rule, regulation or requirement shall necessitate structural changes or improvements, or the removal of any encroachments or projections, ornamental, structural or otherwise, onto or over the streets adjacent to the Demised Premises, or onto or over other property contiguous or adjacent thereto.

32

SECTION 8.02. Sub-subtenant shall have the right to contest by appropriate proceedings diligently conducted in good faith, in the name of Landlord, Sublessor, Sub-sublandlord, or any of them, without cost or expense to Landlord, Sublessor or Sub-sublandlord, the validity or application of any law, ordinance, order rule, regulation or requirement of the nature referred to in Section 8.01 hereof, provided that such contest shall be permitted by the Ground Lease, the Mesne Lease and the Operating Lease and Sub-subtenant shall have furnished to the Ground Lessor and Landlord such indemnities as may be required by the terms of the Ground Lease and to Sub-sublandlord such further indemnities as Sub-sublandlord may reasonably require. If by the terms of any such law, ordinance, order, rule, regulation or requirement, compliance therewith pending the prosecution of any such proceeding may legally be delayed without the incurrence of any lien, charge or liability of any kind against the Demised Premises or Sub-sublandlord's or Sub-subtenant's leasehold interest therein and without subjecting Landlord, Sublessor or Sub-sublandlord to any liability, civil or criminal, for failure so to comply therewith, Sub-subtenant may delay compliance therewith until the final determination of such proceeding. If any lien, charge or civil liability would be incurred by reason of any such delay, Sub-subtenant, nevertheless, with the prior written consent of Landlord, Sublessor and of Sub-sublandlord (such consent of Sub-sublandlord not to be unreasonably withheld), may contest as aforesaid and delay as aforesaid, provided that such delay would not subject Landlord, Sublessor or Sub-sublandlord to criminal liability and Sub-subtenant (i) furnishes to Landlord, to Sublessor, and to Sub-sublandlord security, satisfactory to Landlord and Sublessor and reasonably satisfactory to Sub-sublandlord, against any loss or injury by reason of such contest or delay, and (ii) prosecutes the contest with due diligence.

Neither Landlord, Sublessor nor Sub-sublandlord shall be required to join in any proceedings referred to in this Section unless the Ground Lease, the Mesne Lease, the

33

Operating Lease or the provisions of any applicable law, rule or regulation at the time in effect shall require that such proceedings be brought by and/or in the name of Landlord and/or in the name of Sublessor and/or in the name of Sub-sublandlord in which event Sub-sublandlord shall join in such proceedings or permit the same to be brought in its name and/or require Sublessor to, or to cause Landlord to, do likewise.

SECTION 8.03. Without limiting the generality of the foregoing provisions of this Article 8 or the provisions of Article 7 hereof:

(a) Sub-subtenant shall not suffer, allow or permit the loading of any of the floors of the Building, or any portion or portions thereof, beyond the weights permitted by the building ordinances of the City of New York, as changed from time to time during the term of this lease by orders of the municipal authorities having or asserting jurisdiction in the premises;

(b) Sub-subtenant shall not construct or allow or permit to be

constructed any advertising signs upon the roof, walls or windows of the Building or any lettering upon the windows, nor shall Sub-subtenant permit the windows above the floor next above the ground floor, or the windows, if any, in the spaces adjoining the passageway from Lexington Avenue to the Grand Central Terminal building, to be used for advertising or display purposes, without in each case the written consent of Landlord, and (if required by the Ground Lease) the written consent of the Ground Lessor first had and obtained.

ARTICLE 9

CHANGES AND ALTERATIONS

SECTION 9.01. Sub-subtenant will make no alterations or changes in the Building or any part thereof, except in compliance with the provisions of Paragraph Sixth of the

34

Ground Lease, and all matters requiring the consent or approval of the Ground Lessor thereunder shall also require the consent or approval of Landlord, Sublessor and Sub-sublandlord. Sublessor having agreed with Sub-sublandlord that its consent or approval shall not be unreasonably withheld, Sub-sublandlord hereby agrees upon request of Sub-subtenant to request such consent or approval of Sublessor and further agrees that Sub-sublandlord's consent or approval shall not be unreasonably withheld. In addition to, and without limiting the generality of, the foregoing, Sub-subtenant covenants and agrees that:

(a) No change or alteration, involving an estimated cost of more than \$100,000, including any restoration required by Articles 15 or 16 hereof, shall be made without the prior written consent of Landlord, Sublessor and Sub-sublandlord. Sublessor having agreed with Sub-sublandlord that its consent will not be withheld if the change or alteration would not in the reasonable opinion of Sublessor impair the value, rental value, rentability or usefulness of the Building or any part thereof, Sub-sublandlord agrees upon request of Sub-subtenant to request such consent of Sublessor and further agrees that Sub-sublandlord's consent thereto shall not be unreasonably withheld.

(b) No change or alteration shall be undertaken until Sub-subtenant shall have procured and paid for, so far as the same may be required from time to time, all permits and authorizations of all municipal departments and governmental subdivisions having jurisdiction. Sub-sublandlord shall join in the application for such permits or authorizations whenever such action is necessary, and shall request Sublessor and Landlord to do likewise, but without any liability or expense to Landlord, to Sublessor or to Sub-sublandlord.

(c) No structural change or alteration shall be made except in accordance with plans and specifications

35

approved in writing by the Ground Lessor, Landlord, Sublessor and Sub-sublandlord. Sublessor having agreed with Sub-sublandlord that its approval shall not be unreasonably withheld, Sub-sublandlord agrees upon request to request such consent of Sublessor and further agrees that Sub-sublandlord's consent thereto shall not be unreasonably withheld.

(d) Any change or alteration shall, when completed, be of such a character as not to reduce the value, rental value or rentability or usefulness of the Demised Premises.

(e) Any change or alteration shall be made promptly and in a good and workmanlike manner and in compliance with all applicable permits and authorizations and building and zoning laws and with all other laws, ordinances, orders, rules, regulations and requirements of all federal, state and municipal governments, departments, commissions, boards and officers, any national or local Board of Fire underwriters, or any other body hereafter exercising functions similar to those of any of the foregoing.

(f) The cost of any such change or alterations shall be paid in cash or its equivalent so that the Demised Premises shall at all times be free of liens for labor and materials supplied or claimed to have been supplied to the Demised Premises.

(g) Workmen's compensation insurance covering all persons employed in connection with the work and with respect to whom death or bodily injury claims could be asserted against Landlord, Sublessor, Sub-sublandlord, Sub-subtenant or the Demised Premises, and general liability insurance for the benefit of Landlord, Sublessor, Sub-sublandlord and Sub-subtenant with limits of not less than \$250,000 in the event of bodily injury to one person and not less than \$1,000,000

36

in the event of bodily injury to any number of persons in any one accident, and with limits of not less than \$25,000 for property

damage, shall be maintained or caused to be maintained by Sub-subtenant at Sub-subtenant's sole cost and expense at all times when any work is in process in connection with any change or alteration. All such insurance shall be in a company or companies of recognized responsibility, and all policies or certificates therefor issued by the respective insurers, bearing notations evidencing the payment of premiums or accompanied by other evidence satisfactory to Landlord, Sublessor and Sub-sublandlord of such payment, shall be delivered to Sub-sublandlord.

(h) If the estimated cost of any such change or alteration shall be in excess of \$100,000, Sub-subtenant, before commencement of work, at Sub-subtenant's sole cost and expense, shall furnish to Landlord, to Sublessor and to Sub-sublandlord a surety company performance bond, issued by a surety company acceptable to Landlord, to Sublessor and to Sub-sublandlord in an amount at least equal to the estimated cost of such change or alteration, guaranteeing the completion thereof within a reasonable time, free and clear of all liens, encumbrances, chattel mortgages, conditional bills of sale, and other charges, and in accordance with the plans and specifications approved by Landlord, Sublessor and Sub-sublandlord or, in lieu of such performance bond, other security reasonably satisfactory to Landlord, Sublessor and Sub-sublandlord, No performance bond or other security shall be required except to the extent that such estimated cost exceeds the amounts deposited pursuant to Section 15.02 hereof or available for the purpose pursuant to Section 16.04 hereof.

37

ARTICLE 10

DISCHARGE OF LIENS

SECTION 10.01. Sub-subtenant will not create or permit to be created or to remain, and will discharge, any lien, encumbrance or charge (levied on account of any Imposition or any mechanic's, laborer's or materialman's lien or any mortgage, conditional sale, title retention agreement or chattel mortgage or otherwise) which might be or become a lien, encumbrance or charge upon the Demised Premises or any part thereof or the income therefrom, having any priority or preference over or ranking on a parity with the estate, rights and interest of Sub-sublandlord in the Demised Premises or any part thereof or the income therefrom, nor shall Sub-subtenant create any mortgage, lien, encumbrance or charge upon its leasehold estate in the Demised Premises except in accordance with the requirements of Sections 18.02, 18.10 and 18.15 hereof, and Sub-subtenant will not suffer any other matter or thing whereby the estate, rights and interest of Sub-sublandlord in the Demised Premises or any part thereof might be impaired; provided that any Imposition may, after the same becomes a lien on the Demised Premises, be paid or contested in accordance with Article 3 hereof, and any mechanic's, laborer's or materialman's lien may be discharged in accordance with Section 10.02 hereof.

SECTION 10.02. If any mechanic's, laborer's or materialman's lien shall at any time be filed against the Demised Premises or any part thereof, whether for labor or materials furnished prior or subsequent to the date of this lease, Sub-subtenant, within twenty days after notice of the filing thereof, will cause the same to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or otherwise. If Sub-subtenant shall fail to cause such lien to be discharged within the period aforesaid, then, in addition to any other right or

38

remedy, Sub-sublandlord may, but shall not be obligated to, discharge the same either by paying the amount claimed to be due or by procuring the discharge of such lien by deposit or by bonding proceedings, and in any such event Sub-sublandlord shall be entitled, if Sub-sublandlord so elects, to compel the prosecution of an action for the foreclosure of such lien by the lienor and to pay the amount of the judgment in favor of the lienor with interest, costs and allowances. Any amount so paid by Sub-sublandlord and all costs and expenses incurred by Sub-sublandlord in connection therewith, together with interest thereon at the rate of 6% per annum from the respective dates of Sub-sublandlord's making of the payment or incurring of the cost and expense shall constitute additional rent payable by Sub-subtenant under this lease and shall be paid by Sub-subtenant to Sub-sublandlord on demand.

SECTION 10.03. Nothing in this lease contained shall be deemed or construed in any way as constituting the consent or request of Sub-sublandlord, express or implied by inference or otherwise, to any contractor, subcontractor, laborer or materialman for the performance of any labor or the furnishing of any materials for any specific improvement, alteration to or repair of the Demised Premises or any part thereof, nor as giving Sub-subtenant any right, power or authority to contract for or permit the rendering of any services or the furnishing of any materials that would give rise to the filing of any lien against the Demised Premises or any part thereof.

ARTICLE 11

USE OF PROPERTY

SECTION 11.01. Sub-subtenant will use the Demised Premises only for a high-grade office building, except that the ground floor and floor next above the ground floor may be used for banks, for trust companies, or for stores, and

Sub-subtenant shall not use or permit or allow the Demised Premises or any portion thereof to be used for any other purpose, without prior written consent of Sub-sublandlord, Sublessor, Landlord and the Ground Lessor. Sub-subtenant will not use or allow the Demised Premises or any part thereof to be used or occupied for any unlawful purpose or in violation of the Operating Lease, the Mesne Lease, the Ground Lease or any certificate of occupancy or certificate of compliance covering or affecting the use of the Demised Premises or any part thereof and will not suffer any act to be done or any condition to exist on the Demised Premises or any part thereof or any articles to be brought thereon, which would in any way violate the Operating Lease, the Mesne Lease, the Ground Lease or which may be dangerous, unless safeguarded as required by law, or which may, in law, constitute a nuisance, public or private, or which may make void or voidable any insurance then in force with respect thereto.

SECTION 11.02. Sub-subtenant will not do or suffer any waste or damage, disfigurement or injury to the Building or any part thereof.

SECTION 11.03. Sub-subtenant shall not use or permit the use of the Demised Premises or any part thereof for any purpose which in the reasonable opinion of Sub-sublandlord would adversely affect the then value or character of the Demised Premises. Any dispute between Sub-sublandlord and Sub-subtenant arising under the provisions of this Section 11.03 shall be submitted to arbitration as provided under Article 25 hereof.

ARTICLE 12

SUBORDINATION TO PRIOR LEASES AND COMPLIANCE THEREWITH

SECTION 12.01. This lease is subject and subordinate to the Grant of Term, the Ground Lease, the Mesne Lease, the Operating Lease and to all of the terms, covenants

and conditions of each of them. Sub-subtenant agrees that it shall, at its cost and expense, promptly perform and observe all obligations of the Ground Lessor as grantee under the Grant of Term, of Landlord as Ground Lessee under the Ground Lease, of Sublessor as Tenant under the Mesne Lease and of Sub-sublandlord as Sublessee under the Operating Lease (except that, to the extent that Sub-subtenant shall have deposited same with the Escrow Agent under the Operating Lease, Sub-subtenant shall not be required to make payments to the Ground Lessor of Ground Rent or additional rent under the Ground Lease, or to Landlord of Net Rent or additional rent under the Mesne Lease), and shall comply with all restrictions and requirements of the Grant of Term, the Ground Lease, the Mesne Lease and the Operating Lease, applicable to the said grantee, the Ground Lessee, Tenant or Sublessee, as the case may be, irrespective of whether the obligations, restrictions or requirements are more stringent than those herein imposed upon Sub-subtenant. Specific references in other articles of this lease to compliance with particular requirements of the Grant of Term, Ground Lease, Mesne Lease and the Operating Lease shall not limit the generality of the foregoing.

SECTION 12.02. Sub-sublandlord covenants and agrees that it will not do, suffer or permit any act, condition or thing to occur which would or might constitute a default under the Operating Lease, except to the extent that such occurrence shall have resulted, directly or indirectly, from a default hereunder either by Sub-subtenant or caused by any subtenant.

Sub-sublandlord further covenants and agrees that it shall forthwith give to Sub-subtenant a copy of each notice of default which shall have been given to Sub-sublandlord under the provisions of the Ground Lease, the Mesne Lease or the Operating Lease.

Sub-sublandlord covenants and agrees that if the Escrow Agent, appointed under Section 2.05 of the Operating

Lease, shall fail to pay to Landlord (or to the Ground Lessor, if Landlord shall so direct) any installment of Ground Rent or additional rent under the Ground Lease or shall fail to pay to Landlord any installment of Net Rent or additional rent under the Mesne Lease, with respect to which and to the extent that Sub-subtenant shall have made deposits hereunder with the Escrow Agent, or if Sub-sublandlord shall fail to make any payment or to perform any act required of the Sublessee under the Operating Lease, then Sub-subtenant may, but shall not be obligated to, make any payment or take any action as shall be necessary to cure a default by the Ground Lessee under the Ground Lease or by Tenant under the Mesne Lease or by Sublessee under the Operating Lease and (except to the extent that such default shall have resulted, directly or indirectly, from a default hereunder either by Sub-subtenant or caused by any subtenant) Sub-subtenant may thereafter deduct the amount of any such payment, or the cost of any such other action, from the next succeeding installment or installments of rent or additional rent accruing under this lease, with interest thereon at the rate of 6% per annum from the date of such payment or the incurring of such cost.

SECTION 12.03. Sub-sublandlord shall not modify or consent to any modification of the Operating Lease, the Mesne Lease, the Ground Lease or the Grant of Term except with the prior written consent of Sub-subtenant, and any such modification made without such consent shall be null and void and of no effect so far as Sub-subtenant is concerned.

ARTICLE 13

ENTRY ON PROPERTY BY SUB-SUBLANDLORD, ETC.

SECTION 13.01. Sub-subtenant will permit Landlord, Sublessor and Sub-sublandlord and their authorized representatives to enter the Demised Premises at all reasonable

42

times for the purpose of (a) inspecting the same and (b) making any necessary repairs thereto and performing any other work therein that may be necessary by reason of Sub-subtenant's failure, for ten days after written notice from Sub-sublandlord, to make any such repairs or perform any such other work or to commence the same. Nothing herein shall imply any duty upon the part of Sub-sublandlord to do any such work; and performance thereof by Sub-sublandlord shall not constitute a waiver of Sub-subtenant's default in failing to perform the same. Landlord, or Sublessor or Sub-sublandlord may, during the progress of any such work in the Demised Premises, keep and store therein all necessary materials, tools, supplies and equipment. Sub-sublandlord shall not be liable for inconvenience, annoyance, disturbance, loss of business or other damage of Sub-subtenant or any subtenant by reason of making such repairs or the performance of any such work, or on account of bringing materials, tools, supplies and equipment into or through the Demised Premises during the course thereof, and the obligations of Sub-subtenant under this lease shall not be affected thereby.

SECTION 13.02. Landlord, Sublessor and Sub-sublandlord shall have the right to enter the Demised Premises at all reasonable times during usual business hours for the purpose of showing the same to prospective purchasers or mortgagees, and, at any time within two years prior to the expiration of the initial term of this lease (unless Sub-subtenant theretofore shall have given written notice of its election to renew this lease as provided in Article 20 hereof) or within two years prior to the expiration of any renewal term of this lease (unless Sub-subtenant, if entitled to renew this lease as provided in Article 20 hereof, theretofore shall have given Sublessor written notice of its election so to renew this lease as therein provided), for the purpose of showing the same to prospective tenants.

43

ARTICLE 14

INDEMNIFICATION OF SUB-SUBLANDLORD

SECTION 14.01. Sub-subtenant will indemnify and save harmless Sub-sublandlord against and from all liabilities, obligations, judgments, damages, penalties, claims, costs, charges and expenses, including reasonable architects' and attorneys' fees, which may be imposed upon or incurred by or asserted against Sub-sublandlord by reason of any of the following occurring during the term of this lease:

- (a) any work or thing done in, on or about the Demised Premises or any part thereof;
- (b) any use, non-use, possession, occupation, condition, operation, maintenance or management of the Demised Premises or any part thereof, or any street, alley, sidewalk, curb, vault, passageway or space adjacent thereto;
- (c) any negligence on the part of Sub-subtenant or any of its agents, contractors, servants, employees, subtenants, licensees or invitees;
- (d) any accident, injury or damage to any person or property occurring in, on or about the Demised Premises or any part thereof or any street, alley, sidewalk, curb, vault, passageway or space adjacent thereto;
- (e) any failure by Sub-subtenant to perform or comply with any of the covenants, agreements, terms or conditions contained in this lease on its part to be performed or complied with;
- (f) any tax attributable to the execution, delivery or recording of the Mesne Lease, the Operating Lease or this lease or any modification hereof; or
- (g) any liability which may have been imposed upon Sub-sublandlord as "Owner" by the Sub-subtenant, as Agent under the terms of a certain Management Agreement dated April 16, 1963 made

44

by Precision Dynamics Corporation as Owner to Webb & Knapp, Inc. as Agent, as amended by agreement dated January 10, 1964 between Precision Dynamics Corporation and Harry B. Helmsley d/b/a Graybar Building Company (successor in interest to Webb & Knapp, Inc.) as Agent, which agreement as so modified, was cancelled as of the date of the execution of this Operating Sublease.

- (h) any claim by Sublessor against Sub-sublandlord arising out

of or connected with any of the matters set forth in paragraphs (a) through (f) matters set forth in paragraphs (a) through (g)

In case any action or proceeding is brought against Sub-sublandlord by reason of any such claim, Sub-subtenant upon written notice from Sub-sublandlord will at Sub-subtenant's expense resist or defend such action or proceeding.

ARTICLE 15

DAMAGE OR DESTRUCTION

SECTION 15.01. In case of casualty to the Building resulting in damage or destruction exceeding \$100,000 in the aggregate, Sub-subtenant shall promptly give written notice thereof to Sub-sublandlord. Regardless of the amount of any such damage or destruction, Sub-subtenant shall at its sole cost and expense, and whether or not the insurance proceeds, if any, shall be sufficient for the purpose, restore, repair, replace, rebuild or alter the Building as nearly as possible to its value, condition and character immediately prior to such damage or destruction and in conformity with the requirements of the Ground Lease, the Mesne Lease, the Operating Lease and the provisions of Article 9 hereof. Such restoration, repairs, replacements, rebuilding or alterations shall be commenced promptly and prosecuted with reasonable diligence.

SECTION 15.02. Subject to the provisions of the Ground Lease, the Mesne Lease and the Operating Lease, all insurance

45

proceeds received by Sub-sublandlord or any insurance trustee selected by Sublessor pursuant to Section 5.05 of the Operating Lease, on account of such damage or destruction, less the actual cost, fees and expenses, if any, incurred in connection with adjustment of the loss, shall be applied by Sub-sublandlord or such insurance trustee to pay or reimburse Sub-subtenant for the payment of the cost of the aforesaid demolition, restoration, repairs, replacement, rebuilding or alterations, including the cost of temporary repairs or for the protection of property pending the completion of permanent restoration, repairs, replacements, rebuilding or alterations (all of which temporary repairs, protection of property and permanent restoration, repairs, replacements, rebuilding or alterations are hereinafter collectively referred to as the "restoration"), and shall be paid out from time to time as such restoration progresses upon the written request of Sub-subtenant which shall be accompanied by the following:

(1) A certificate signed by Sub-subtenant, dated not more than thirty days prior to such request, setting forth the following:

(A) That the sum then requested either has been paid by Sub-subtenant, or is justly due to contractors, subcontractors, materialmen, engineers, architects or other persons who have rendered services or furnished materials for the restoration therein specified, the names and addresses of such persons, a brief description of such services and materials, the several amounts so paid or due to each of said persons in respect thereof, that no part of such expenditures has been or is being made the basis, in any previous or then pending request, for the withdrawal of insurance money or has been made out of the proceeds of insurance received by Sub-subtenant, and that the sum then requested does not exceed the value of the services and materials described in the certificate.

46

(B) That, except for the amount, if any, stated (pursuant to the foregoing subclause (1) (A)) in such certificate to be due for services or materials, there is no outstanding indebtedness known to the persons signing such certificate, after due inquiry, which is then due for labor, wages, materials, supplies or services in connection with such restoration.

(C) That the cost, as estimated by the persons signing such certificate, of the restoration required to be done subsequent to the date of such certificate in order to complete the same, does not exceed the insurance money, plus any amount deposited by Sub-subtenant to defray such cost and remaining in the hands of Sub-sublandlord or such insurance trustee after payment of the sum requested in such certificate.

(2) A title company or official search, or other evidence satisfactory to Sub-sublandlord or the insurance trustee, showing that there have not been filed with respect to the Demised Premises, any vendor's, contractor's, mechanic's, laborer's or materialman's statutory or similar lien which has not been discharged of record, except such as will be discharged upon payment of the sum requested in such certificate.

(3) An opinion of counsel (who may be counsel to Sub-subtenant) stating that the instruments which have been or are therewith delivered to Sub-sublandlord or to such insurance trustee conform to the requirements of the foregoing clauses (1) and (2) of this Section and that, upon the basis of such request, the insurance proceeds, the withdrawal of which is then requested, may be properly paid over under this Section.

The certificate required by clause (1) of this Section 15.02 shall be signed also by the architect and/or engineer in charge of the restoration, who shall be selected by Sub-subtenant and approved in writing by Landlord, Sublessor and Sub-sublandlord (Sublessor having agreed with Sub-sublandlord

that its approval shall not be unreasonably withheld, Sub-sublandlord shall request such approval by Sublessor and agrees that it shall not unreasonably withhold Sub-sublandlord's approval thereof) and (in the case of proceeds of insurance provided for in Section 5.01) by the Ground Lessor.

Upon compliance with the foregoing provisions of this Section 15.02 and with the requirements of the Ground Lease, Sub-sublandlord or such insurance trustee shall, out of such insurance money, pay or cause to be paid to Sub-subtenant or the persons named (pursuant to sub-clause (1) (A) of this Section 15.02) in such certificate the respective amounts stated therein to have been paid by Sub-subtenant or to be due to them, as the case may be.

If the insurance money at the time available for the purpose, less the actual cost, fees and expenses, if any, incurred in connection with the adjustment of the loss shall be insufficient to pay the entire cost of such restoration, Sub-subtenant shall pay the deficiency.

Upon receipt by Sub-sublandlord or such insurance trustee of satisfactory evidence of the character required by clauses (1) and (2) of this Section 15.02 that the restoration has been completed and paid for in full and that there are no liens of the character referred to therein or Events of Default hereunder, any balance of the insurance money held by Sub-sublandlord or such insurance trustee or to which Sub-sublandlord may be entitled pursuant to the Operating Lease shall be paid to Sub-subtenant.

SECTION 15.03. If, during the last five years of the last renewal term of this lease, the Building shall be damaged or destroyed by fire or otherwise, and as a result thereof Sub-sublandlord shall be entitled to terminate the Operating Lease pursuant to Section 15.03 thereof,

(a) nothing herein contained shall prohibit the Sub-sublandlord from exercising such right of termination,

(b) Sub-subtenant shall have a corresponding right to terminate this lease; and

(c) in case of any such termination of the Operating Lease by Sublessor or Sub-sublandlord, this lease shall terminate as of a date prior to the date of termination of the Operating Lease and Sub-sublandlord shall give Sub-subtenant at least fifteen days' prior written notice of the date of such termination.

SECTION 15.04. Except as provided in Section 15.03 hereof, no destruction of or damage to the Demised Premises or any part thereof by fire or any other casualty shall terminate or permit Sub-subtenant to surrender this lease or shall relieve Sub-subtenant from its liability to pay the full rent, additional rent and other charges payable under this lease, except to the extent that the same shall be paid by the application thereto of the proceeds of rent insurance pursuant to Paragraph (d) of Section 5.02 hereof, or from any of its other obligations under this lease, and Sub-subtenant waives any rights now or hereafter conferred upon it by statute or otherwise to quit or surrender this lease or the Demised Premises or any part thereof, or to any Suspension, diminution, abatement or reduction of rent on account of any such destruction or damage.

ARTICLE 16

CONDEMNATION

SECTION 16.01. In the event that the Demised Premises, or any part thereof, shall be taken in condemnation proceedings or by exercise of any right of eminent domain, subject to the provisions of the Operating Lease, Sub-sublandlord shall be entitled to collect from any condemnor the entire portion of the award made with respect to the leasehold estate created by the Operating Lease and for consequential damages to the Demised Premises to which Sub-sublandlord is entitled as Sublessee under the Operating Lease, without deduction therefrom for any estate hereby vested in or owned by Sub-subtenant, subject to Sub-subtenant's rights as set forth in this

Article 16. Sub-subtenant agrees to execute, to cause to be executed, any and all further documents that may be required in order to facilitate collection by Sub-sublandlord of such portion of any and all such awards. Sub-subtenant, in cooperation with Sub-sublandlord, shall have the right to participate in any condemnation proceedings for the purpose of protecting Sub-subtenant's interest hereunder. For purposes of this Article, any such taking which shall result in a termination of the Operating Lease (whether by action of Sub-sublandlord, by operation of law or otherwise) is referred to as a "Total Taking"; any such taking which shall not result in a termination of the Operating Lease is referred to as a "Partial Taking"; and the portion of any such award to which Sub-sublandlord is entitled under the provisions of the Operating Lease in the event of a Total Taking, after deducting the expenses mentioned in Section 16.08 hereof, less any part of such expenses recouped by Sub-sublandlord under the Operating Lease, is referred to as the "Net Award."

SECTION 16.02. In case of a Total Taking, this lease shall terminate and

expire on the date of termination of the Operating Lease and the rent, Basic Rent and Net Rent shall be apportioned and paid to such date. In such event, Sub-subtenant shall not be entitled to receive any apportionment of Impositions theretofore paid or payable by Sub-subtenant, except to the extent that such apportionment or refund is granted by the condemnor acquiring the Demised Premises and except for any refund to which Sub-sublandlord may be entitled under Section 2.03 hereof.

SECTION 16.03. In the event of a Total Taking, the Net Award received by Sub-sublandlord shall be divided between Sub-sublandlord and Sub-subtenant as follows:

(a) Sub-sublandlord shall first receive \$4,500,000 or so much thereof as is available out of the proceeds of the Net Award.

50

(b) The balance, if any, of the Net Award shall be paid to Sub-subtenant.

SECTION 16.04. In case of a Partial Taking, Sub-subtenant, at its expense, shall restore the Building to substantially its former condition, to the extent the same is feasible, in accordance with the provisions of Article 9 hereof. The cost of demolition, repair and restoration shall be paid for out of the Net Award (as same is defined in the Mesne Lease) pursuant to the provisions of Section 16.04 of the Mesne Lease to the extent that said Net Award shall be available therefor. In the event that the costs of such demolition, repair and restoration shall exceed said Net Award, Sub-subtenant shall pay the deficiency.

SECTION 16.05. In case of a Partial Taking:

(a) This lease shall continue and Sub-subtenant shall continue to pay or deposit rent, Basic Rent, Overage Rent, Net Rent, Ground Rent, and all other additional rent and other charges as herein provided.

(b) In the event that Sub-sublandlord shall receive from Sublessor a refund of any Net Rent, Basic Rent or Overage Rent deposited or paid by Sub-subtenant pursuant to this lease, Sub-sublandlord shall promptly refund same to Sub-subtenant.

(c) Sub-subtenant shall not be entitled to receive any portion of any award made as a result of such Partial Taking, except to the extent that such award shall be made available pursuant to Section 16.04 hereof.

SECTION 16.06. Sub-subtenant shall not be entitled to share in any award or awards made in condemnation proceedings for the taking of any appurtenances to the Demised Premises, vaults, areas or projections outside of the boundaries of the Demised Premises, or rights in, under or above the streets adjoining said lands, or the rights and benefits of light, air, or access to said streets, or for the

51

taking of space, or rights, therein, below the surface of, or above, the Demised Premises. The cost of such demolition, repair and restoration of the Building as shall be necessitated by such taking shall be paid for out of any award or compensation received by Landlord for any such taking in accordance with Section 16.06 of the Mesne Lease.

SECTION 16.07. If the temporary use of the whole or any part of the Demised Premises shall be taken by any lawful power or authority, by the exercise of the right of condemnation or eminent domain, or by agreement between Sub-subtenant and those authorized to exercise such right, Sub-subtenant shall give prompt notice thereof to Sub-sublandlord, the term of this lease shall not be reduced or affected in any way, Sub-subtenant shall continue to pay in full the rent, additional rent and other charges herein reserved, without reduction or abatement, and Sub-subtenant shall be entitled to receive for itself any award or payment made for such use, provided, however, that

(a) if the taking is for a period not extending beyond the initial term or the then current term of this lease and if such award or payment is made in a lump sum, the same shall be paid to and held by Sub-sublandlord as a fund which Sub-sublandlord shall pay over and apply as follows; Sub-sublandlord shall pay over to Landlord the sums due to Landlord pursuant to Section 16.07 of the Mesne Lease and due to Sublessor pursuant to Section 16.07 of the Operating Lease and the balance of such award shall be held by Sub-sublandlord and applied from time to time to the payments due to Sub-sublandlord from Sub-subtenant under the terms of this lease, except that, if such taking results in changes or alterations in the Building which would necessitate an expenditure to restore the Building to its former condition, then a portion of such award or payment considered by Sub-sublandlord as appropriate to cover the expenses of such restoration may be retained by Sub-sublandlord,

52

without application as aforesaid, and applied and paid over toward the restoration of the Building to its former condition, substantially in the same manner and subject to the same conditions as those provided in Section 15.02 hereof with respect to insurance and other moneys, or

(b) if the taking is for a period extending beyond the initial term or the then current term of this lease, such award or payment shall be apportioned between Sub-sublandlord and Sub-subtenant as of the stated expiration date of such term; Sub-subtenant's share thereof shall, if paid in a lump sum, be paid to Sub-Sublandlord and applied in accordance with the provisions of paragraph (a) of this Section 16.07 and, in case the then current term of this lease shall be extended pursuant to Article 20 hereof beyond such then current term. Sub-subtenant shall from time to time, from and after the commencement of such extended term, apply the sums received by it upon such apportionment to the payments thereafter due to Sub-sublandlord from Sub-subtenant under the terms of this lease; provided, however, that the amount of any award or payment allowed or retained for restoration of the Building, shall remain the property of Sub-sublandlord if the lease shall expire prior to the restoration of the Building to its former condition.

Sub-subtenant shall also pay all fees, costs and expenses of every character of the Sub-sublandlord in connection with the eventualities provided for in this Section. Sub-subtenant shall be entitled at the close of each year after any such taking to receive any surplus remaining of said award or awards, after making provision for all payments required pursuant to paragraphs (a) and (b) of this Section 16.07.

SECTION 16.08. In the case of any taking covered by the provisions of this Article 16, except as in Section 16.07

53

provided, Sub-sublandlord and Sub-subtenant shall be entitled to reimbursement from any award or awards of all reasonable costs, fees and expenses incurred in the determination and collection of any such awards.

SECTION 16.09. If the Ground Lessor shall take and use, or permit to be used, any portion of the Demised Premises pursuant to the Ground Lease, Landlord shall be entitled to receive and retain any lump sum payment made by the Ground Lessor pursuant to the Ground Lease on account of the rental value of such portion so taken.

SECTION 16.10. Upon request of Sub-subtenant, Sub-sublandlord will request Sublessor to make the election referred to in Section 16.10 of the Mesne Lease in accordance with the provisions of Section 16.10 of the Operating Lease.

ARTICLE 17

VAULT SPACE

SECTION 17.01. Vaults and areas, if any, now or hereafter built extending beyond the building line of the Demised Premises are not included within the Demised Premises, but Sub-subtenant may occupy and use the same during the term of this lease, subject to the Ground Lease, to the Mesne Lease, to the Operating Lease and to such laws, permits, rules and regulations as may be imposed by appropriate governmental authorities with respect thereto.

SECTION 17.02 No revocation on the part of any governmental department or authority of any license or permit to maintain and use any such vault shall in any way affect this lease or the amount of the rent or any other charge payable by Sub-subtenant hereunder. If any such license or permit shall be revoked, Sub-subtenant will, at its sole cost and expense, do and perform all such work as may be necessary to comply with any order revoking the same.

54

ARTICLE 18

MORTGAGES, ASSIGNMENTS, SUBLEASES AND TRANSFERS OF SUB-SUBTENANT'S INTERESTS

SECTION 18.01 (a) Neither this lease nor any interest of Sub-subtenant in this lease or in any sublease, or in any subrents shall be sold, assigned, transferred or otherwise disposed of whether by operation of law or otherwise, nor shall the Demised Premises be sublet as an entirety or substantially as an entirety; nor

(b) shall any of the issued and outstanding capital stock of any corporation or corporations owning this lease as Sub-subtenant be sold, assigned, transferred or otherwise disposed of, if such sale, assignment, transfer or other disposition will result in vesting the control of such corporation or corporations in a person (or persons) who was not a stockholder of such corporation or corporations at the time such corporation or corporations become the owner of this lease pursuant to the terms hereof; nor

(c) shall the interest or interests of any partner in any partnership at any time owning this lease as Sub-subtenant be sold, assigned, transferred or otherwise disposed of, if such sale, assignment, transfer or other disposition will result in vesting the control of such partnership in persons who were not partners at the time that this partnership became the owner of this lease pursuant to the terms hereof;

without (i) such prior written consent of Landlord as may be required under Article 18 of the Mesne Lease (ii) such prior written consent of Sublessor as

may be required under Article 18 of the Sublease, and (iii) the prior written consent of Sub-sublandlord, which consent Sub-sublandlord hereby agrees it will not unreasonably withhold, and

55

(iv) full compliance by Sub-subtenant with all of the terms and conditions of said Article 18 of the Mesne Lease and said Article 18 of the Sublease. It is understood that the sales, assignments, transfers and other dispositions restricted by this Article 18 include, INTER ALIA, dispositions for security purposes whether by way of mortgage, pledge, hypothecation or otherwise. Sub-sublandlord hereby agrees subject to the provisions of the Mesne Lease and the Operating Lease that so long as no Event of Default exists hereunder the interest of the Sub-subtenant may be assigned from time to time without Sub-sublandlord's consent to a corporation qualified to do business in the State of New York, which is controlled by Harry B. Helmsley or in the case of his death or incompetency, by his legal representatives.

No assignment shall be effective until there shall have been delivered to Sub-sublandlord a duplicate original of the assignment in recordable form, executed by the assignor and the proposed assignee containing an agreement whereby such assignee assumes due performance of the obligations on the assignor's part to be performed under this lease from the date of such assignment to the end of the term hereof. Upon the assignor having delivered to Sub-sublandlord said assignment and agreement, all liabilities and obligations on the part of the assignor accruing after such assignment shall terminate, provided that upon the effective date of such assignment and thereafter all liabilities and obligations shall be binding only upon the assignee, but nothing herein contained shall be construed to release the assignor from any liability or obligation which accrued prior to the effective date of such assignment. In the event this lease shall be assigned to a partnership, or to more than one corporation, all said corporations and all general partners in such partnership shall assume the obligations of this lease jointly and severally; but upon any subsequent assignment of this lease by such partnership the liabilities and obligations of the partners in such partnership subsequent to such assignment shall similarly be terminated.

56

For the purpose of this Section 18.01, "control" of any corporation shall be deemed to be vested in the person or persons owning more than 96% of the voting power for the election of the members of the Board of Directors of such corporation; and "control" of a partnership shall be deemed to be vested in the person or persons owning more than 96% in the total interest of the partnership.

Any assignment of this lease, or of the interest of Sub-subtenant hereunder, or transfer of stock or of any interest of any corporation or partnership as aforesaid, without full compliance with any and all requirements set forth in this lease shall be invalid and of no effect against Sub-sublandlord. In no event shall Sub-subtenant be entitled to make a lease of all or substantially all of the Demised Premises.

SECTION 18.02. Subject to the requirements of the Mesne Lease with respect to consent of Landlord, Sub-subtenant shall have the right to mortgage this lease, to execute and deliver to a trustee a deed of trust of this lease securing bonds or notes issued by Sub-subtenant, and to assign, pledge or hypothecate this lease as security for any such mortgage or deed of trust; (a) to a college or university; or (b) to pension fund or employees' profit-sharing trust subject to regulation by the State of New York or any agent thereof; or (c) to a savings bank, bank, trust or insurance company or any other monetary or lending institution, authorized to make leasehold mortgage loans in the State of New York, organized and existing under the laws of the United States, or any state thereof and authorized to do business in the State of New York and under the supervision of the Comptroller of the Currency of the United States, or of either the Insurance or Banking Departments of the State of New York, Any one of the foregoing permitted mortgagees is hereinafter referred to as an Institution. Sub-subtenant covenants that the net proceeds of any aforementioned Leasehold Mortgage made prior to December 1, 1973, will be used to make improvements and betterments in and to the Building. In

57

connection with an assignment of this lease as in Section 18.01 of this Article 18 provided, Harry B. Helmsley, Sub-subtenant named herein may take back a purchase money Leasehold Mortgage as part of the consideration for such assignment but the said Harry B. Helmsley (or in the event of his death or insanity, his legal representatives) agrees not to sell, assign, pledge or otherwise transfer said Leasehold Mortgage prior to May 28, 1976. Except as herein specifically permitted Sub-subtenant shall not without obtaining the prior written consent of Landlord and Sub-sublandlord, mortgage or pledge the interest of Sub-subtenant in and to this lease or in and to the Demised Premises, whether by operation of law or otherwise.

No Leasehold Mortgage shall be binding upon Sub-sublandlord in the enforcement of its rights and remedies herein and by law provided, unless and until executed counterparts thereof shall have been delivered to Sub-sublandlord, Sublessor and to Landlord, notwithstanding any other form of notice actual or constructive. Any Leasehold Mortgage shall be specifically subject and subordinate to the rights of Sub-sublandlord hereunder and of Landlord under the Mesne Lease and of Sublessor under the Operating Lease, including specifically, but without limitation, the rights of Sub-sublandlord under Section 18.10 hereof, the rights of Sublessor under Section 18.10 of the

Operating Lease and the rights of Landlord under Section 18.10 of the Mesne Lease. Any mortgage on this lease or the interest of Sub-subtenant hereunder without full compliance with any and all requirements hereunder shall be invalid and of no effect against Sub-sublandlord, Sublessor and Landlord. The consent by Landlord to a Leasehold Mortgage, as hereinabove provided, may be conditioned at the option of Landlord, upon the inclusion of a clause in the Leasehold Mortgage substantially to the effect that: (i) the Leasehold Mortgagee prior to the institution of any proceedings to foreclose any mortgage or negotiations to accept an assignment in lieu of a foreclosure, shall notify Landlord in writing to that effect, and (ii) Landlord shall have the right within 20 days after

58

the giving of such notice to purchase the mortgage and the indebtedness which it secures, at a purchase price equal to the full amount then owing to the Leasehold Mortgage under said Mortgage and the indebtedness which it secures, including interest accrued and unpaid and statutory costs and allowances in the event any foreclosure proceedings shall have commenced. No more than one Leasehold Mortgage on this lease may exist at any one time.

SECTION 18.03. Any consent by Landlord and by Sublessor and Sub-sublandlord to a sale, assignment, mortgage, pledge, hypothecation, transfer of stock, or transfer of this lease, shall apply only to the specific transaction thereby authorized and shall not release Sub-subtenant from the requirement of obtaining the prior written consent of Landlord, Sublessor and Sub-sublandlord to any further sale, assignment, mortgage, pledge, hypothecation, transfer of stock as aforementioned or other transfer of this lease. In instances where the consent of Landlord, Sublessor and Sub-sublandlord to any such transaction may not be unreasonably withheld, then, contemporaneously with the request of Sub-subtenant for such consent, Sub-subtenant shall submit, in writing, information sufficient to enable Landlord, Sublessor and Sub-sublandlord to decide with respect thereto.

SECTION 18.04. If a Leasehold Mortgagee shall have given to Sub-sublandlord before any default shall have occurred under this lease, a written notice, specifying the name and address of such mortgagee, Sub-sublandlord shall give to such Leasehold Mortgagee a copy of each notice of default by Sub-subtenant at the same time as and whenever any such notice of default shall thereafter be given by Sub-sublandlord to Sub-subtenant, addressed to such Leasehold Mortgagee at the address last furnished to Sub-sublandlord. No such notice by Sub-sublandlord shall be deemed to have been given unless and until a copy thereof shall have been so given to such Leasehold Mortgagee.

59

Sub-sublandlord will accept performance by any such Leasehold Mortgagee of any covenant, condition, or agreement on Sub-subtenant's part to be performed hereunder with the same force and effect as though performed by Sub-subtenant, if the same shall be adequate for purposes of compliance with the Operating Lease, the Mesne Lease and the Ground Lease and if, at the time of such performance, Sub-sublandlord shall be furnished with evidence reasonably satisfactory to Sub-sublandlord of the interest in the lease claimed by the person tendering such performance.

SECTION 18.05. In case of termination of this lease by reason of the happening of any Event of Default, Sub-sublandlord shall give notice thereof to any Leasehold Mortgagee who shall have notified Sub-sublandlord of its name and address pursuant to Section 18.04, which notice shall be addressed to such Leasehold Mortgagee at the address last furnished to Sub-sublandlord as above provided. Sub-sublandlord shall, on written request of such Leasehold Mortgagee made any time within 30 days after the mailing of such notice, execute and deliver a new lease of the Demised Premises to such Leasehold Mortgagee, or its designee or nominee, for the remainder of the term of this lease, at the basic rent and all additional rent and upon the covenants, conditions, limitations and agreements herein contained, including the covenants with respect to renewals, provided such Leasehold Mortgagee, shall have paid to Sub-sublandlord all rent, additional rent and other charges due under this lease up to and including the date of the commencement of the term of such new lease, together with all expenses incurred by Sub-sublandlord, including reasonable attorney's fees, but nothing herein contained shall be deemed to impose any obligation on the part of the Sub-sublandlord to deliver physical possession of the Demised Premises to such Leasehold Mortgagee. Any such designee or nominee of a Leasehold Mortgagee shall be a corporation qualified to do business in the State of New York.

60

SECTION 18.06. No Leasehold Mortgagee shall be entitled to become the owner of this lease by foreclosure, or by assignment in lieu of foreclosure unless such Leasehold Mortgagee, or its designee or nominee shall first have delivered to Sub-sublandlord an assumption agreement executed in recordable form, wherein and whereby such Leasehold Mortgagee, or a corporate designee or nominee of such Leasehold Mortgagee assumes the performance of all the terms, covenants and conditions of this lease.

SECTION 18.07. Nothing herein contained shall prevent Sub-subtenant from subletting portions (constituting less than all or substantially all) of the Demised Premises, provided that each such sublease shall be subject and subordinate to this lease and the rights of Sub-sublandlord hereunder, to the Operating Lease and the rights of Sublessor thereunder, and to the Mesne Lease and the rights of Landlord thereunder. This lease is and shall be subject and

subordinate to the Operating Lease and the rights of Sublessor thereunder and to the Mesne Lease and the rights of Landlord thereunder. Subject to the provisions of Section 18.13 of the Mesne Lease and Section 18.15 of the Operating Lease, this lease shall be terminable at the election of Landlord upon the termination of the Mesne Lease or, at Sublessor's election, upon the termination of the Operating Lease.

SECTION 18.08. Sub-subtenant shall furnish Landlord and Sub-sublandlord with fully executed or photo-copies of all subleases of space in the Demised Premises and with such information with respect thereto as Landlord and Sub-sublandlord may require and Sub-subtenant shall deliver to Sub-sublandlord, Sublessor and Landlord, in duplicate, within eighty-five days after the end of each fiscal year of Sub-subtenant, a statement of income and expenses for such fiscal year with respect to the operation of the Demised Premises, and a schedule showing all subleases, the subrents payable thereunder, the duration of the respective terms thereof and any renewal or cancellation

61

privileges contained therein, which statement shall be certified by an independent firm of public accountants of recognized national standing. Such statement shall be accompanied by a statement of the names and addresses of all stockholders in any corporation or partners in any partnership holding this lease, showing the number of shares of stock owned by each stockholder of such corporation, or the respective interest of each such partner in the partnership, as the case may be; provided, however, that if at any time during the term of this lease any corporation holding this lease is a savings bank, bank, trust or insurance company, or other monetary or lending institution authorized to do business in the State of New York, organized and existing under the laws of the United States or any State thereof and under the supervision of the Comptroller of the Currency of the United States or of either the Insurance or Banking Departments of the State of New York, or if the stock of any corporation holding this lease is listed on any authorized Stock Exchange, then a list of stockholders shall not be required. If more than one corporation holds this lease such statement shall be made by an officer of each such corporation.

SECTION 18.09. Sub-subtenant shall perform and observe each and every term and condition to be performed or observed by Sub-sublandlord under all existing and future subleases and shall and does hereby indemnify and agree to hold Sub-sublandlord harmless from any and all liabilities, claims and causes of action arising thereunder. All subtenants' security deposits held by Sub-subtenant at the commencement of the term of this lease or hereafter deposited with Sub-subtenant shall be deposited by Sub-subtenant in a special account in a bank or trust company selected by Sub-subtenant and shall constitute trust funds in the hands of Sub-subtenant.

SECTION 18.10. Effective as of the date of the happening of an Event of Default, Sub-subtenant hereby assigns to Sub-sublandlord, subject to the provisions of Section 18.10

62

of the Operating Lease and of Section 18.10 of the Mesne Lease, all of its right, title and interest in and to all existing and future subleases and all rents due and to become due thereunder. After the effective date of such assignment, Sub-sublandlord shall apply any net amount collected by it from subtenants pursuant to such assignment to any rent, additional rent and other charges due or to become due under this lease for such periods and in such order as Sub-sublandlord may elect. No collection of subrent by Sub-sublandlord from a subtenant shall constitute a waiver of any of the provisions of this Article 18, or an acceptance of the subtenant as a tenant or a release of Sub-subtenant from performance by Sub-subtenant of its obligations under this lease.

Sub-subtenant shall not, without Sub-sublandlord's prior written consent, directly or indirectly collect or accept any payment of subrent under any sublease in advance of the date when the same shall become due under the terms of such sublease, and such subrent, in the case of any future sublease, or amendment of an existing sublease, shall be payable at least every three months; provided, however, that any sublease of a store may require the subtenant thereunder to make a rent security deposit in an amount not exceeding ten per cent of the aggregate subrent reserved for the term of such sublease. In the event of the failure of any subtenant to pay subrent to Landlord pursuant to the assignment provided for in said Section 18.10 of the Mesne Lease after the happening of an Event of Default thereunder or to pay such subrent to Sublessor pursuant to the assignment provided for in said Section 18.10 of the Operating Lease after the happening of an Event of Default thereunder or to pay such subrent to Sub-sublandlord pursuant to the foregoing assignment after the happening of an Event of Default hereunder, any such rent thereafter collected by Sub-subtenant shall be deemed to constitute a trust fund for the benefit of Landlord, Sublessor or Sub-sublandlord, whichever's assignment shall first become effective.

63

SECTION 18.11. Sub-subtenant assumes and shall be responsible for and liable to Sub-sublandlord for all acts and omissions on the part of any present or future subtenant, and any violation of any of the terms, provisions or conditions of this lease, whether by act or omission, by any subtenant shall constitute a violation by Sub-subtenant.

SECTION 18.12. Sub-subtenant shall not modify any major sublease so as to reduce the rent, shorten the term, or otherwise adversely affect to any material

extent the rights of the lessor thereunder or the rights, if any, of Sub-sublandlord or permit cancellation or accept the surrender of any such sublease, without the prior written consent of Sub-sublandlord, Sublessor and Landlord in each instance (which consent of Sub-sublandlord shall not be unreasonably withheld); provided, however, that, in the case of any major sublease covering one or more full floors in the Building and any additional diversified smaller portions of space in the Building, such sublease may be modified in order to substitute new space in the Building for some or all of the diversified smaller space previously covered by such sublease if (a) the terms thereof, as so modified, shall not be otherwise modified, except that provision may be made for an increase in the annual rental and for the redecoration of the new space in accordance with the standards then in effect for redecorating space in the Building demised to other subtenants, and (b) no major sublease to any other subtenant shall be cancelled or modified in connection with such transaction. Sub-subtenant further agrees not to cancel more than two subleases providing for a fixed subrent of \$10,000 or more per annum each and having a remaining term of more than six months in any one twelve month period. In addition to being subject and subordinate to the terms of this lease, as required by the provisions of Section 18.07 hereof, each major sublease made after the date of this lease shall contain a specific provision to the effect that such sublease may not be modified or amended so as to reduce the subrent or shorten the

64

term, or otherwise adversely affect to any material extent the rights of the lessor or the rights, if any, of Sub-sublandlord thereunder, or be cancelled or surrendered without the prior written consent, in each instance of Landlord, Sublessor and Sub-sublandlord (which consent of Sub-sublandlord will not be unreasonably withheld). Sublessor has agreed with Sub-sublandlord that its consent to any such modification, amendment, cancellation or surrender of a major lease will not be unreasonably withheld and a Sub-sublandlord agrees, on request of Sub-subtenant, to request such consent of Sublessor.

Each future sublease shall also contain an agreement on the part of the subtenant to the effect that such sublease shall not terminate or be terminable by the subtenant thereunder by reason of any termination of this lease, of the Operating Lease or of the Mesne Lease or of any other lease of all or substantially all of the Demised Premises, except that in case of the institution of any summary or other proceeding by Landlord, any sublease made after the date of this lease may be terminated if the subtenant thereunder is named by Landlord as a party, and served with process, in any such proceeding for possession of the Demised Premises or the space occupied by such subtenant, and a warrant or judgment for possession of such space is issued in such proceeding. Each future sublease shall contain an agreement on the part of the subtenant to the effect that Sub-sublandlord, Sublessor and Landlord shall be given notice of, and a reasonable opportunity to cure, any default on the part of the lessor under such sublease.

SECTION 18.13. Sub-sublandlord agrees that if it shall execute and deliver a mortgage or deed of trust of the Operating Lease as referred to in Section 18.02 thereof, it shall require the holder of each such mortgage or the trustee under each such deed of trust to covenant and agree in the mortgage or deed of trust that if such holder or trustee or the designee of either shall obtain a new

65

lease as provided in Section 18.05 of the Operating Lease or in Section 18.13 of the Mesne Lease or shall renew the Mesne Lease and become tenant thereunder as provided in Section 20.05 of the Mesne Lease, or shall renew the Operating Lease and become Sublessee thereunder as provided in Section 20.02 thereof, then, subject to the provisions of Section 18.07 of the Mesne Lease and provided that no Event of Default under this lease shall be in existence at the time of the termination of the Operating Lease and/or at the time when such new lease or renewal lease, as the case may be, is obtained by such holder, such holder, trustee or designee shall, simultaneously with the execution and delivery of such new lease or of an assumption agreement in connection with such renewal, as the case may be, enter into a new lease with Sub-subtenant, without cost or expense to such holder, trustee or designee, for the remainder of the term of this lease or for the corresponding renewal term of this lease, as the case may be, and at the rent and all additional rent and upon the covenants, conditions, limitations and agreements contained herein including the covenants in respect to renewals.

SECTION 18.14. If Sub-sublandlord shall obtain a new lease, as provided in Paragraph Eleventh of the Ground Lease or in Section 18.13 of the Mesne Lease or as shall be provided in a mortgage or deed of trust of the Ground Lease, as required by Section 18.14 of the Mesne Lease, or as shall be provided in a mortgage or deed of trust of the Mesne Lease, as required by Section 18.13 of the Operating Lease, or if Sub-sublandlord shall renew the Ground Lease and become the Ground Lessee as provided in Paragraph Twelfth thereof, or shall renew the Mesne Lease and become the Tenant as provided in Section 20.05 thereof, then, subject to the provisions of Section 18.07 of the Mesne Lease, and provided that no Event of Default under this lease shall be in existence at the time of the termination of the Ground Lease or the Mesne Lease, as the case may be, and/or at the time when such new lease or renewal

66

lease, is obtained by Sub-sublandlord, this lease shall continue in full force and effect or may be renewed in accordance with its terms, as the case may be,

and if Sub-subtenant shall so request, in confirmation thereof Sub-sublandlord shall simultaneously with the execution and delivery of such new lease, or assumption agreement in connection with such renewal, as the case may be, enter into a new lease with Sub-subtenant without cost or expense to Sub-sublandlord, for the remainder of the term of this lease, and at the net rent and all additional rent and upon the covenants, conditions, limitations and agreements contained herein, including the covenants with respect to renewals.

In any of the foregoing cases where Sub-sublandlord shall be entitled to request a new lease with respect to the Ground Lease or shall be entitled to elect to renew the Ground Lease and shall not desire to do so, at least five days before the expiration of the applicable period within which Sub-sublandlord shall be required to request such new lease or to make such election to renew, as the case may be, Sub-sublandlord shall give notice to Sub-subtenant to the effect that Sub-sublandlord does not desire to make such request or election, as the case may be, and if there shall then be no existing Event of Default under this lease, Sub-subtenant shall be entitled to make such request or election, as the case may be, on behalf of and in the name of Sub-sublandlord, and Sub-sublandlord, if so requested, shall execute a written instrument confirming the permission hereby granted and, effective as of the date of termination of the Ground Lease or of the expiration of the then current term thereof, whichever date shall be applicable, shall assign the Operating Lease to Sub-subtenant which, pursuant to Section 18.01 thereof, shall assume due performance of the obligations of the Sublessee's part to be performed to the end of the term thereof; provided, however, that Sub-sublandlord shall have no obligation or responsibility to obtain the consent of Landlord to such assignment.

67

SECTION 18.15. Notwithstanding the provisions of Article 10 and paragraphs (f) and (h) of Section 9.01 hereof, but subject in other respects to the provisions of Article 9 hereof and subject to compliance with all applicable provisions of the Ground Lease, the Mesne Lease and the Operating Lease, Sub-subtenant may, in connection with the installation of air-conditioning in any office space in the Building (i) make a chattel mortgage or mortgages upon any air-conditioning facilities required for the purpose, or assign or pledge a portion of the subrent payable under any sublease of the space to be air-conditioned, in either case in order to secure the repayment of a loan obtained to finance not more than the cost of such air-conditioning installation (including necessary related alterations and redecorating), or (ii) purchase the necessary equipment for any such air-conditioning facilities under a conditional sale contract or contracts; provided, however, that

(1) Sub-subtenant shall first have submitted to Landlord (with copies to Sublessor and Sub-sublandlord) a written proposal for the air-conditioning of such space which proposal shall

(a) include preliminary plans and outline specifications for, and an estimate of the cost of, the proposed installation,

(b) be conditioned upon an increase in the Net Rent payable under the Mesne Lease by the amount necessary to amortize the cost of such installation and to yield 6% per annum on the unamortized balances of such cost over a period of not more than ten years, which period, however, shall not extend beyond the date of expiration of any sublease referred to in paragraph (c) below, and

(c) be further conditioned upon an increase in the aggregate subrent payable under any and all subleases covering such space, by an amount at least sufficient to amortize the cost of such installation and to yield at

68

least 6% per annum on the unamortized balances of such cost over the period referred to in paragraph (b) above; and

Landlord shall have failed or refused, within a period of twenty days after receipt of such proposal, to offer to pay for the cost of the proposed installation on the basis so proposed;

(2) any such conditional sale contract or loan security document shall contain provisions satisfactory to Sub-sublandlord, Sublessor and Landlord providing that the conditional vendor or the lender, as the case may be, will not exercise any rights or remedies after a default thereunder by the borrower or conditional purchaser, as the case may be, unless such conditional vendor or the lender shall have notified Sub-sublandlord, Sublessor and Landlord in writing of such default and either Sub-sublandlord, Sublessor or Landlord shall have failed to cure such default within a period of thirty days after receipt of such notice;

(3) the subrent payable under any and all subleases of the space to be air-conditioned shall be increased by an amount (hereinafter called the air-conditioning rent) which shall in the aggregate be at least sufficient to cover all payments required to be made to the conditional vendor or lender when and as due (all of which payments shall become due within a period not in excess of ten years and not extending beyond the term of any such sublease);

(4) the amount of air-conditioning rent for any given period which may be assigned or pledged as security for any such loan shall not exceed the amount required to pay the aggregate requirements for principal and interest payments on said loan for the same period; and

(5) no such loan shall be secured both by chattel mortgage and assignment or pledge of air-conditioning rent.

Unless Landlord shall pay for the cost of such air-conditioning installation, no increase in respect thereof shall

69

be made in the Net Rent, provided, however, that any amounts expended by Sub-sublandlord, Sublessor or Landlord to cure any default under any such loan security document or conditional sale contract shall constitute additional rent hereunder. Sub-subtenant will perform or cause to be performed all of the terms, covenants and conditions required to be performed by the conditional purchaser under each such conditional sale contract and by the borrower under each such loan security document. If Sub-subtenant shall desire pursuant to this Section to air-condition any space to be leased under a new sublease not in effect at the time of the submission to Landlord of the proposal referred to in paragraph (1) of this Section, the part of the subrent payable under such sublease and properly attributable to the cost of the air-conditioning installation in such space may be treated, for purposes of this Section, as a subrent increase for air-conditioning purposes, provided, however, that the total subrent for such space shall exceed the subrent payable under the last previous sublease of such space by an amount at least equal to the air-conditioning rent.

Landlord, Sublessor and Sub-sublandlord shall each be furnished with a copy of any such conditional sale contract or loan security document.

ARTICLE 19

CONDITIONAL LIMITATIONS--DEFAULT PROVISIONS

SECTION 19.01. If any one or more of the following events (herein sometimes called "Events of Default") shall happen:

(a) If Sub-subtenant shall default in the payment of rent hereunder, or any part thereof, and such default shall continue for a period of five days after notice thereof from Sub-landlord to Sub-tenant, or

(b) If Sub-subtenant shall default in the payment of Basic Rent, or any part thereof, and such default

70

shall continue for a period of five days after notice thereof by Sub-sublandlord to Sub-subtenant, or

(e) if Sub-subtenant shall default in the making of any deposit for Net Rent or Ground Rent, or any part thereof, and such default shall continue for a period of five days after notice thereof by Sub-sublandlord to Sub-subtenant, or

(d) if Sub-subtenant shall default in the making of any tax deposit to be made pursuant to Section 3.02 of the Operating Lease or any part thereof, and such default shall continue for a period of five days after notice thereof by Sub-sublandlord to Sub-subtenant.

(e) if Sub-subtenant shall default in the payment of any other item of additional rent or any other charge required to be paid hereunder, or any part of same, for five days after notice thereof by Sub-sublandlord to Sub-subtenant, or

(f) if Sub-subtenant shall default in the performance of or compliance with any of the covenants, agreements, terms or provisions contained in this lease, other than those referred to in the foregoing paragraphs (a), (b), (c), (d) and (e) and such default shall continue for a period of twenty days after written notice thereof from Sub-sublandlord to Sub-subtenant, except that in connection with a default not susceptible of being cured with due diligence within twenty days, the time of Sub-subtenant within which to cure the same shall be extended for such time as may be necessary to cure the same with all due diligence, provided Sub-subtenant commences promptly and proceeds diligently to cure the same, and further provided that such period of time shall not be so extended as to subject Sub-sublandlord to any criminal liability or to the possible termination of the Operating Lease; or

(g) if Sub-subtenant shall file a voluntary petition in bankruptcy or shall be adjudicated a bankrupt or insolvent, or shall file any petition or answer seeking

71

any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future federal bankruptcy act or any other present or future applicable federal, state or other statute or law, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of Sub-subtenant or of all or any substantial part of its properties of the Demised Premises or any interest of Sub-subtenant therein; or

(h) if within sixty days after the commencement of any proceeding against Sub-subtenant seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future federal bankruptcy act or any other present or future applicable federal, state or other statute or law, such proceeding shall not have been dismissed, or if, within sixty days after the appointment, without the consent or acquiescence of Sub-subtenant, of any trustee, receiver or liquidator of Sub-subtenant or of all or any properties or of the Demised Premises or any interest of Sub-subtenant therein, such appointment shall not have been vacated or stayed on appeal or otherwise, or if, within sixty days after the expiration of any such stay, such appointment shall not have been vacated; or

(i) if the Demised Premises shall be abandoned by Sub-subtenant;

then and in any such event Sub-sublandlord at any time thereafter during the continuance of any such Event of Default may give written notice to Sub-subtenant, specifying such Event or Events of Default and stating that this lease and the term hereby demised shall expire and terminate on the date specified in such notice, which shall be at least five days after the giving of such notice; and upon the date specified in such notice, subject to the provisions of Section 19.04 hereof, this lease and the term hereby demised and all rights of Sub-subtenant under this lease shall expire and terminate.

72

Nothing in the preceding paragraph shall be deemed to require Sub-sublandlord to give the five day notice therein provided for prior to the commencement of a summary proceeding for non-payment of rent or a plenary action for the recovery of rent on account of any of the defaults specified in paragraphs (a), (b), (c), (d) and (e), it being intended that such notice is only for the purpose of creating a conditional limitation hereunder pursuant to which this lease shall terminate and Sub-subtenant shall become a holdover tenant.

If, at any time during the term of this lease, this lease is owned by more than one corporation as Sub-subtenant, the provisions of paragraphs (g) and (h) hereof shall apply to each such corporation.

If, by assignment or otherwise, the Sub-subtenant hereunder shall become the Sublessee under the Operating Lease or under any new lease substituted for the Operating Lease, this lease shall forthwith, IPSO FACTO, be cancelled and terminated if Landlord requests such cancellation within sixty days after receiving written notice that Sub-subtenant has become such a Sublessee.

SECTION 19.02. Upon any expiration or termination of this lease, whether pursuant to Section 19.01 hereof or by summary dispossession proceedings or otherwise, Sub-subtenant shall quit and peacefully surrender the Demised Premises to Sub-sublandlord, and upon or at any time after any such expiration or termination, Sub-sublandlord may without further notice, enter upon and re-enter the Demised Premises and possess and repossess itself thereof, by force, summary proceedings, ejectment or otherwise, and may dispossess Sub-subtenant and remove Sub-subtenant and all other persons and property from the Demised Premises and may have, hold and enjoy the Demised Premises and the right to receive all rental income of and from the same.

SECTION 19.03. At any time or from time to time after any such expiration or termination, Sub-sublandlord may

73

relet the Demised Premises or any part thereof, in the name of Sub-sublandlord or otherwise, for such term or terms (which may be greater or less than the period which would otherwise have constituted the balance of the term of this lease) and on such conditions (which may include concessions or free rent) as Sub-sublandlord, in its uncontrolled discretion, may determine and may collect and receive the rents therefor. Sub-sublandlord shall in no way be responsible or liable for any failure to relet the Demised Premises or any part thereof, or for any failure to collect any rent due upon any such reletting.

SECTION 19.04. No such expiration or termination of this lease shall relieve Sub-subtenant of its liability and obligations under this lease and such liability and obligations shall survive any such expiration or termination. In the event of any expiration or termination, whether or not the Demised Premises or any part thereof shall have been relet, Sub-subtenant shall pay to Sub-sublandlord the rent, the Basic Rent, Net Rent, Ground Rent and all other additional rent and other charges required to be paid by Sub-subtenant up to the time of such expiration or termination of this lease, and thereafter Sub-subtenant, until the end of what would have been the term of this lease in the absence of such expiration or termination, shall be liable to Sub-sublandlord for, and shall pay to Sub-sublandlord, as and for liquidated and agreed current damages for Sub-subtenant's default,

(a) the equivalent of the amount of the rent, Basic Rent, Net Rent, Ground Rent, the average of the Overage Rent paid over the immediately preceding three years, and all other additional rent and other charges which would be payable under this lease by Sub-subtenant if this lease were still in effect, less

(b) the net proceeds of any reletting effected pursuant to the provisions of Section 19.03 hereof, after deducting all Sub-sublandlord's expenses in connection

with such reletting, including, without limitation, all repossession costs, brokerage commissions, legal expenses, reasonable attorneys' fees, alteration costs, and expenses of preparation for such reletting and/or

(c) the net proceeds of any subrents received by Sub-sublandlord from any subtenant.

Sub-subtenant shall pay such current damages (herein called "deficiency") to Sub-sublandlord monthly on the days on which the rent would have been payable under this lease if this lease were still in effect, and Sub-sublandlord shall be entitled to recover from Sub-subtenant each monthly deficiency as the same shall arise. At any time after any such expiration or termination, in lieu of collecting any further monthly deficiencies as aforesaid, Sub-sublandlord shall be entitled to recover from Sub-subtenant, and Sub-subtenant shall pay to Sub-sublandlord, on demand, as and for liquidated and agreed final damages for Sub-subtenant's default, an amount equal to the difference between the rent, Basic Rent, Net Rent, Ground Rent, the average of the Overage Rent paid over the immediately preceding three years, and all other additional rent reserved hereunder for the unexpired portion of the term demised and the then fair and reasonable rental value of the Demised Premises for the same period. In the computation of such damages the difference between any installment of rent becoming due hereunder after the date of termination and the fair and reasonable rental value of the Demised Premises for the period for which such installment was payable shall be discounted to the date of termination at the rate of four per cent (4%) per annum. If the Demised Premises or any part thereof be re-let by Sub-sublandlord for the unexpired term of said lease, or any part thereof, before presentation of proof of such liquidated damages to any court, commission or tribunal, the amount of rent reserved upon such re-letting shall prima facie be the fair and reasonable rental value

for the part or the whole of the premises so re-let during the term of the re-letting. Nothing herein contained shall limit or prejudice the right of Sub-sublandlord to prove for and obtain as liquidated damages by reason of such termination, an amount equal to the maximum allowed by any statute or rule of law in effect at the time when, and governing the proceedings in which, such damages are to be proved, whether or not such amount be greater, equal to, or less than the amount of the difference referred to above.

SECTION 19.05. Sub-subtenant hereby expressly waives, so far as permitted by law, the service of any notice of intention to re-enter provided for in any statute, and Sub-subtenant, for and on behalf of itself and all persons claiming through or under Sub-subtenant (including but not limited to a leasehold mortgagee or a creditor of Sub-subtenant), also waives any and all right of redemption or re-entry or re-possession or to restore the operation of this lease in case Sub-subtenant shall be dispossessed by a judgment or by warrant of any court or judge or in case of re-entry or re-possession by Sub-sublandlord or in case of any expiration or termination of this lease, subject to the right of a Leasehold Mortgagee to obtain a new lease in strict accordance with the provisions of Section 18.05 hereof. Sub-sublandlord and Sub-subtenant waive and will waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matters whatsoever arising out of or in any way connected with this lease, the relationship of Sub-sublandlord and Sub-subtenant, Sub-subtenant's use or occupancy of said premises, or any claim of injury or damage. The terms "enter", "re-enter", "entry" or "re-entry", as used in this lease are not restricted to their technical legal meaning.

SECTION 19.06. No failure by Sub-sublandlord to insist upon the strict performance of any covenant, agreement,

term or condition of this lease or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of full or partial rent during the continuance of any such breach, shall constitute a waiver of any such breach or of such covenant, agreement, term or condition. No covenant, agreement, term or condition of this lease to be performed or complied with by Sub-subtenant, and no breach thereof, shall be waived, altered or modified except by a written instrument executed by Sub-sublandlord. No waiver of any breach shall affect or alter this lease, but each and every covenant, agreement, term and condition of this lease shall continue in full force and effect with respect to any other then existing or subsequent breach thereof.

SECTION 19.07. In the event of any breach or threatened breach by Sub-subtenant of any of the covenants, agreements, terms or conditions contained in this lease, Sub-sublandlord shall be entitled to enjoin such breach or threatened breach and shall have the right to invoke any right and remedy allowed at law or in equity or by statute, or otherwise as though re-entry, summary proceedings, and other remedies were not provided for in this lease.

SECTION 19.08. Each right and remedy of Sub-sublandlord provided for in this lease shall be cumulative and shall be in addition to every other right or remedy provided for in this lease or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by Sub-sublandlord of any one or more of the rights or remedies provided for in this lease or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by

Sub-sublandlord of any or all other rights or remedies provided for in this lease or now or hereafter existing at law or in equity or by statute or otherwise.

SECTION 19.09. Interest at the rate of 6% per annum shall accrue upon any rent and all additional rent payable

77

or to be deposited under this lease during any period while the payment or deposit thereof by Sub-subtenant is delayed.

ARTICLE 20

RENEWAL PRIVILEGES

SECTION 20.01. Subject to the provisions of Sections 20.03 and 20.04 hereof, the term of this lease may, at the option of Sub-subtenant, by written notice to Sub-sublandlord as herein provided, be renewed and extended as follows:

FIRST RENEWAL TERM--May 29,1976 to December 28, 1987

SECOND RENEWAL TERM--December 29,1987 to December 28, 2008

THIRD RENEWAL TERM--December 29,2008 to December 28, 2029

Any such renewal option shall be exercised by written notice given by Sub-subtenant to Sub-sublandlord at least 24 and not more than 30 months prior to the commencement of the particular renewal term, and (subject to the provisions of Section 20.03 hereof) if such notice shall have so been given and this lease, the Operating Lease, the Mesne Lease and the Ground Lease shall be in effect on the day next preceding the commencement of such renewal term this lease shall thereupon be automatically renewed for such renewal term.

Each renewal term shall be upon the same terms, covenants and conditions as in this lease provided, except that there shall be no privilege to Sub-subtenant of renewals of the terms of this lease beyond the Third Renewal Term referred to above. Payment of all additional rent and other charges on the part of Sub-subtenant to be made as in this lease provided shall continue to be made during each of

78

such renewal terms. Any termination of this lease shall terminate any right of renewal hereunder.

SECTION 20.02. In the event that Sub-subtenant shall fail to exercise its option to renew the term of this lease within the applicable period prescribed in this Article 20 Sub-sublandlord shall give notice thereof to any Leasehold Mortgagee entitled to notice under Section 18.04 hereof and any such Leasehold Mortgagee may (subject to the provisions of Section 20.03 thereof), within 30 days after the giving of such notice, elect that this lease be renewed for the relevant renewal term upon the terms, covenants and conditions and with the same effect as though such option had been exercised by Sub-subtenant as in this Article 20 provided, except that Sub-subtenant shall not be the lessee in the renewal term and shall have no obligations thereunder and the Leasehold Mortgagee shall deliver to Sub-sublandlord an assumption agreement, executed in recordable form wherein and whereby such Leasehold Mortgagee or its designee shall assume the performance of all the terms, covenants and conditions of this lease as so renewed.

SECTION 20.03. The attempted exercise by Sub-subtenant or a leasehold mortgagee, as the case may be of any option to renew this lease shall not become effective, nor shall any such renewal term be created if either

(a) at the time when notice of the exercise of such option shall be given to Sub-sublandlord; or

(b) on the day next preceding the purported commencement date of the renewal term; or

(c) during the period of sixty days next preceding the last date on which Sub-sublandlord may notify the Sublessor of exercise of its corresponding privilege of renewing the Operating Lease,

an Event of Default hereunder shall have occurred, Sub-subtenant shall have been notified thereof, and such Event

79

of Default shall not have been cured within the time or times permitted by this lease.

SECTION 20.04. Sub-sublandlord agrees that if it shall have received a notice of renewal pursuant to this Article, it will at least ninety days before the expiration of the period within which notice of renewal of the Operating Lease may be effectively given, either

(a) give notice to Sublessor of its election to exercise its corresponding renewal privilege under the Operating Lease, or

(b) give notice to Sub-subtenant to the effect that Sub-sublandlord does not desire to renew this lease and the Operating Lease.

If Sub-sublandlord shall fail to give the notice to Sublessor referred to in paragraph (a) of this Section, then and in such event (whether or not the notice referred to in paragraph (b) of this Section shall have been given) Sub-subtenant shall be entitled to exercise the rights of renewal provided for in Article 20 of the Operating Lease on behalf and in the name of Sub-sublandlord, and Sub-sublandlord, if so requested, shall execute a written instrument confirming the permission hereby granted and effective as of the expiration of the then current term shall assign the Operating Lease to Sub-subtenant which, pursuant to Section 18.01 thereof, shall assume due performance of the obligations on the Sublessee's part to be performed to the end of the term thereof; provided, however, the Sub-sublandlord shall have no obligation or responsibility to obtain the consent of Landlord to such assignment.

SECTION 20.05. If Sub-sublandlord shall acquire the interest of the Grand Lessor and/or the Landlord and/or the Sublessor in and to the Demised Premises, Sub-sublandlord, in addition to its rights and obligations hereunder,

80

shall have the same rights and obligations with respect thereto as the Ground Lessor and/or the Landlord and/or the Sublessor (including without limitation the right to collect the Ground Rent and/or the Net Rent and/or the Basic Rent and Overage Rent) as though the Ground Lease and/or the Mesne Lease and/or the Operating Lease was to continue in full force and effect for the duration of the term of this lease, regardless of whether or not the Ground Lease and/or the Mesne Lease and/or the Operating Lease shall have been terminated by cancellation, merger, or otherwise after such acquisition. If Sub-subtenant shall acquire fee title to the Demised Premises, the Ground Lessor's, the Landlord's or the Sublessor's interest therein, this lease, the Ground Lease and/or the Mesne Lease and/or the Operating Lease shall remain in full force and effect without affecting the obligations of Sub-sublandlord or Sub-subtenant hereunder.

ARTICLE 21

INVALIDITY OF PARTICULAR PROVISIONS

SECTION 21.01. If any term or provision of this lease 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 held invalid or unenforceable, shall not be affected thereby, and each term and provision of this lease shall be valid and be enforced to the fullest extent permitted by law.

ARTICLE 22

NOTICES

SECTION 22.01. All notices, demands and requests required under this lease shall be in writing. All such notices, demands and requests shall be deemed to have

81

been properly given if served personally, or if sent by United States registered mail, postage prepaid, addressed as hereinafter provided. All such notices, demands and requests mailed to Sub-sublandlord shall be addressed to Sub-sublandlord, c/o Kahr & Spitzer & Howard, at 405 Park Avenue, New York 22, N. Y., or at such other address in the City and State of New York, as Sub-sublandlord may from time to time designate by written notice to Sub-subtenant. All such notices, demands and requests to Sub-subtenant shall be addressed to Sub-subtenant, attention Harry B. Helmsley, 60 E. 42 Street, New York 17, N. Y., or at such other address as Sub-subtenant may from time to time designate by written notice to Sub-sublandlord.

SECTION 22.02. Notices, demands and requests which shall be served by registered mail upon Sub-sublandlord or Sub-subtenant in the manner aforesaid, shall be deemed sufficiently served or given for all purposes hereunder at the time such notice, demand or request shall be mailed by United States registered mail as aforesaid in any Post Office or Branch Post Office regularly maintained by the United States Government in the State of New York. Notices, demands and requests to be served upon Sub-subtenant may be served by the attorney for Sub-sublandlord in Sub-sublandlord's behalf.

ARTICLE 23

CONDITION OF AND TITLE TO PROPERTY QUIET ENJOYMENT

SECTION 23.01. Sub-subtenant represents and agrees that the Demised Premises, the title thereto, the sidewalks and structures adjoining the same, any subsurface conditions thereof, and the present uses and non-uses thereof, have been examined by Sub-subtenant and that Sub-subtenant accepts the same in the condition or state in which they or any of them now are, without representation or

warranty, express or implied in fact or by law, by Sub-sublandlord and without recourse to Sub-sublandlord, as to the title thereto, the nature, condition or usability thereof or the use or uses to which the Demised Premises or any part thereof may be put.

SECTION 23.02. Sub-sublandlord covenants and agrees that Sub-subtenant, upon paying the rent, Basic Rent, Overage Rent, Net Rent, Ground Rent and all other and additional rent and other charges herein provided for and observing and keeping all covenants, agreements and conditions of this lease on its part to be kept, shall quietly have and enjoy the Demised Premises during the term of this lease without hindrance or molestation by anyone claiming by, or through Sub-sublandlord, subject, however, to the exceptions, reservations and conditions of this lease.

SECTION 23.03. In case Sub-sublandlord shall assign or otherwise dispose of its interest in the Demised Premises, all liabilities and obligations on the part of Sub-sublandlord under this lease accruing after such assignment or disposal shall terminate upon such assignment or disposal, and thereupon all such liabilities and obligations shall be binding upon the new owner of such interest; provided, however, that any funds held by Sub-sublandlord hereunder in which Sub-subtenant has an interest hereunder (except for such funds as shall have been delivered to Landlord pursuant to the terms of the Mesne Lease, which funds may continue to be held by Landlord) shall be turned over to the new owner of such interest or, to the extent required by Sections 5.05 or 16.10 hereof, to the trustee or trustees provided for in said Sections.

ARTICLE 24

EXCAVATION AND SHORING

SECTION 24.01. If any excavation shall be made or contemplated to be made for building or other purposes upon

property or streets adjacent to or nearby the Demised Premises, Sub-subtenant either.

(a) shall afford to the person or persons causing or authorized to cause such excavation the right to enter upon the Demised Premises for the purpose of doing such work as such person or persons shall consider to be necessary to preserve any of the walls or structures of the Building from injury or damage and to support the same by proper foundations, or

(b) shall, at Sub-subtenant's expense (without hereby waiving any claims against the aforesaid person or persons), do or cause to be done all such work as may be necessary to preserve any of the walls or structures of the Building from injury or damages and to support the same by proper foundations.

Sub-subtenant shall not, by reason of any such excavation or work, have any claim against Sub-sublandlord for damages or indemnity or for suspension, diminution, abatement or reduction of rent under this lease.

ARTICLE 25

ARBITRATION

SECTION 25.01. In any case in which it is provided by the terms of this lease that any matter shall be determined by arbitration (otherwise than pursuant to the Ground Lease), such arbitration shall be conducted in accordance with the rules then obtaining of the American Arbitration Association, and judgment upon the award rendered may be entered in any Court having jurisdiction thereof.

SECTION 25.02. In the event that any dispute hereunder shall be submitted to arbitration, and if the same subject matters shall also be in dispute between Sublessor and Sub-sublandlord under the Operating Lease and shall have

been submitted to arbitration pursuant to the Operating Lease, the arbitration between Sublessor and Sub-sublandlord and the arbitration between Sub-sublandlord and Sub-subtenant shall be held simultaneously before the same arbitrators, and any decision imposing an obligation or duty upon Sub-sublandlord shall be construed as placing a similar obligation or duty upon Sub-subtenant. In any such arbitration, Sub-sublandlord and Sub-subtenant will cooperate in the selection of the arbitrator or of one of the arbitrators, if there shall be more than one, and in the conduct of the proceeding.

ARTICLE 26

MISCELLANEOUS

SECTION 26.01. At any time and from time to time, Sub-sublandlord, on at least twenty days' prior written request by Sub-subtenant, and Sub-subtenant, on at least twenty days' prior written request by Sub-sublandlord, will deliver to the party making such request 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 same is in full force and effect as modified and stating the modifications) and the dates to which the rent and other charges have been

paid, whether there are any existing set-offs or defense to the rent and all additional rent and other charges due to Sub-sublandlord under this lease, and stating whether or not to the best knowledge of the party executing such certificate the party requesting such statement is in default in performance of any covenant, agreement or condition contained in this lease and, if so, specifying each such default of which the executing party may have knowledge.

SECTION 26.02. The captions of this lease and the table of contents preceding this lease are for convenience and

85

reference only and in no way define, limit or describe the scope or intent of this lease.

SECTION 26.03. It is the intention of the parties hereto that the estate acquired hereunder by Sub-subtenant shall not merge with or into any other estate, whether lesser or greater, in the Demised Premises now held or hereafter acquired by said Sub-subtenant or by any disclosed or undisclosed principal of said Sub-subtenant.

SECTION 26.04. In all cases where the consent or approval of Landlord or Sublessor shall be required under this lease or the Mesne Lease or the Operating Lease, Sub-subtenant shall, prior to performing the act or thing for which such consent or approval is required, furnish Sub-sublandlord with proof reasonably satisfactory to Sub-sublandlord that such consent or approval has been obtained, and no consent or approval by Sub-sublandlord, if required in any case where the consent or approval of Landlord or Sublessor is also required, shall be effective unless and until such proof has been delivered to Sub-sublandlord.

Wherever under the provisions of the Operating Lease Sub-sublandlord as the Sublessee thereunder shall have any right, claim or cause of action against Sublessor by reason of the failure of Sublessor to carry out any agreement, covenant or undertaking therein made by Sublessor with Sublessee, Sub-subtenant may on at least three days notice to Sub-sublandlord (or on less notice or without notice in case of an emergency or in any other case where three days notice may not be given without substantial prejudice to Sub-subtenant) take such action and institute such proceedings against Sublessor (which may be taken or instituted in the name of Sub-sublandlord, but without expense to Sub-sublandlord) as may be necessary or desirable to enforce performance of, or to recover damages for Sublessor's failure to carry out, such agreement, covenant or undertaking.

86

SECTION 26.05. Upon the expiration or earlier termination of this lease, then, unless Sub-sublandlord shall have no further interest in the Demised Premises Sub-subtenant shall deliver to Sub-sublandlord all subleases, lease files, plans and all other documents in the possession of Sub-subtenant or its managing agent which may be required for the operation and management of the Demised Premises, together with all prepaid subrents and all security deposits. This provision shall survive any such expiration or termination of this lease, and Sub-sublandlord and Sub-subtenant agree that Sub-sublandlord will suffer irreparable injury in the event of violation of this provision, and that Sub-sublandlord shall be entitled to a mandatory injunction (including a temporary mandatory injunction, pendente lite) to enforce the provisions hereof.

SECTION 26.06. Without hereby limiting the effect of applicability of any specific provision of this lease of like or similar import, whenever under any provision of this lease expressly providing or requiring that a consent or approval shall not be unreasonably withheld, or that an act, forbearance, quantity, amount, sum of money, value, time limit or any other matter or thing shall be reasonable (or shall not be unreasonable) a dispute or disagreement shall arise between Sub-sublandlord and Sub-subtenant as to whether or not the withholding of the consent or approval in question is unreasonable or as to whether or not the act, forbearance, quantity, amount, sum of money, value, time limit or other matter or thing in question is reasonable (or not unreasonable) such dispute or disagreement shall be settled by arbitration as provided in Article 25 hereof.

SECTION 26.07. This lease shall be construed and enforced in accordance with the laws of the State of New York.

SECTION 26.08. The covenants and agreements herein contained shall bind and inure to the benefit of Sub-sublandlord,

87

its successors and assigns, and Sub-subtenant, his legal representatives, successors and assigns, except as otherwise provided herein.

IN WITNESS WHEREOF, Sub-sublandlord and Sub-subtenant have duly executed this lease the day and year first above written.

PRECISION DYNAMICS CORPORATION

By /s/ [ILLEGIBLE]

Assistant Vice-President

/s/ Harry B. Helmsley

88

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

On the 24th day of June, 1964, before me personally came Louis Feil, to me known, who, being by me duly sworn, did depose and say that he resides at 55 [ILLEGIBLE] Rockville Centre, New York; that he is an Assistant Vice-President of PRECISION DYNAMICS 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.

[ILLEGIBLE]
[SEAL]

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

On the 15th day of June, 1964, before me personally came Harry B. Helmsley, to me known to be the individual described in, and who executed the foregoing instrument, and acknowledged that he executed the same.

[ILLEGIBLE]
[SEAL]

89

SCHEDULE A

DESCRIPTION OF GRANT OF TERM

The term "GRANT OF TERM" shall mean the instrument made by and between The New York Central Railroad Company (hereinafter in this Schedule and Schedule B hereto called the "Railroad Company") and New York State Realty and Terminal Company (hereinafter in this Schedule and Schedule B hereto called the "Realty Company"), dated July 30, 1925, and recorded in the Office of the Register of the County of New York (now the Office of the Register of the City of New York in the County of New York) on September 12, 1925, in Liber 3505 of Conveyances, at Page 347

(a) as the same may have been modified by agreements dated October 21, 1927, and November 2, 1938, and recorded in said Register's Office in Liber 3672 of Conveyances at Page 388 and Liber 4278 of Conveyances at Page 217 respectively

(b) as the same was amended, modified and extended by instruments dated April 12, 1944, and recorded in said Register's Office on May 26, 1944, in Liber 4287 of Convelances, at Page 201, and dated September 28, 1953, and recorded in said Register's Office on October 9, 1953, in Liber 4854 of Conveyances, at Page 370; and

(c) as the same was amended, modified and extended by instrument dated December 30, 1957, and recorded in said Register's Office on December 31, 1957, in Liber 5024 of Conveyances, at Page 325.

90

SCHEDULE B

DESCRIPTION OF GROUND LEASE

The term "GROUND LEASE" shall mean the instrument made between the Realty Company, as Lessor, and Eastern Offices, Inc., as Lessee, dated July 30, 1925, and recorded in said Register's Office on September 12, 1925, in Liber 3496 of Conveyances, at Page 183

(a) as the same was modified by agreements dated respectively October 21, 1927, June 19, 1928, and November 2, 1938, and recorded respectively in said Register's Office in Liber 3672 of Conveyances, at Page 388, Liber 3901 of Conveyances, at Page 228, and Liber 4278 of Conveyances, at Page 217,

(b) as the same was further modified and renewed by agreement dated April 5, 1944, and supplemental agreement dated April 12, 1944, and recorded in said Register's Office on May 26, 1944, in Liber 4287 of Conveyances, at Pages 208 and 195, respectively,

(c) as further modified by agreement dated July 20, 1950, and recorded in said Register's Office on August 1, 1950, in Liber 5174 of Conveyances, at Page 265,

(d) as the same was further amended and the term thereof revised and extended by Modified Agreement of Lease made as of January 1, 1953, and recorded in said Register's Office on October 9, 1953, in Liber 4854 of Conveyances, at Page 307,

(e) as the same was further modified, and the term thereof revised and extended, by Modified Agreement of Lease dated December 30, 1957, and recorded in said Register's Office on December 31, 1957, in Liber 5024 of Conveyances, at Page 251; and

(f) the Lessee's interest in which lease was, after mesne assignments, thereof, assigned to and is now held by Metropolitan Life Insurance Company by agreement dated December 30, 1957, and recorded in said Register's Office on December 31, 1957, in Liber 5024 of Conveyances, at Page 613.

91

SCHEDULE C

DESCRIPTION OF MESNE LEASE

The term "Mesne Lease" shall mean the instrument made between Webb & Knapp, Inc. and Graysler Corporation, as Landlord, and Mary F. Finnegan, as Tenant, dated December 30, 1957, and recorded in said Register's office on December 31, 1957 in Liber 5024 of Conveyances at Page 430, which lease was corrected and amended by Agreement dated February 27, 1958 between Metropolitan Life Insurance Company, Lawrence A. Wien, Webb & Knapp, Inc. and Graysler Corporation and recorded in said Register's office on March 11, 1958, in Liber 5032 of Conveyances at Page 430, the Tenant's interest in which lease was, after a mesne assignment, assigned to and is now held by Graybar Building Associates by assignment dated April 30, 1958 and recorded in said Register's office on April 30, 1958 in Liber 5036 of Conveyances, at Page 569, which lease was further amended by agreement dated as of June 1, 1964, between Metropolitan Life Insurance Company, Graybar Building Associates and Precision Dynamics Corporation intended to be recorded in said Register's Office simultaneously herewith.

92

SCHEDULE D

DESCRIPTION OF OPERATING LEASE

The term "Operating Lease" shall mean the instrument made between Mary F. Finnegan, as Sublessor and Rose Iacovone, as Sublessee, dated December 30, 1957 and recorded in said Register's office on December 31, 1957 in Liber 5024 of Conveyances at Page 523, which lease was corrected and amended by Agreement dated February 27, 1958 between Metropolitan Life Insurance Company, Lawrence A. Wien, Webb & Knapp, Inc. and Graysler Corporation and recorded in said Register's office on March 11, 1958, in Liber 5032 of Conveyances at Page 430, the Sublessee's interest in which lease was, after mesne assignments thereof assigned to and is now held by Precision Dynamics Corporation, which lease was further amended by agreement dated as of June 1, 1964, between Metropolitan Life Insurance Company, Graybar Building Associates and said Precision Dynamics Corporation intended to be recorded in said Register's Office simultaneously herewith.

EMPLOYMENT AND NONCOMPETITION AGREEMENT

This EMPLOYMENT AND NONCOMPETITION AGREEMENT ("Agreement") is made as of the 20th day of August, 1997 between Stephen L. Green ("Executive") and SL Green Realty Corp., a Maryland corporation with its principal place of business at 70 West 36th Street, New York, New York 10018 (the "Employer").

1. TERM. The term of this Agreement shall commence on the date first above written and, unless earlier terminated as provided in Section 6 below, shall terminate on the third anniversary of the closing of the initial public offering (the "IPO") of the Employer's Common Stock, \$.01 par value per share (the "Original Term"); PROVIDED, HOWEVER, that Section 8 hereof shall survive the termination of this Agreement as provided therein. The Original Term may be extended for such period or periods, if any, as may be mutually agreed to by Executive and the Employer (each a "Renewal Term"). The period of Executive's employment hereunder consisting of the Original Term and all Renewal Terms, if any, is herein referred to as the "Employment Period".

2. EMPLOYMENT AND DUTIES.

(a) DUTIES. During the Employment Period, Executive shall be employed in the business of the Employer and its affiliates. Executive shall serve the Employer as a senior corporate executive with the titles Chairman of the Board of Directors, President and Chief Executive Officer of the Employer. Executive's duties and authority shall be as set forth in the By-laws of the Employer and as otherwise established from time to time by the Board of Directors of the Employer, and shall be commensurate with his titles and positions with the Employer.

(b) BEST EFFORTS. Executive agrees to his employment as described in this Section 2 and agrees to devote substantially all of his business time and efforts to the performance of his duties under this Agreement, except as otherwise approved by the Board of Directors of the Employer; PROVIDED, HOWEVER, that nothing herein shall be interpreted to preclude Executive from (i) participating as an officer or director of, or advisor to, any charitable or other tax exempt organization or otherwise engaging in charitable, fraternal or trade group activities, (ii) acting as an officer of any subsidiary of the Company, or (iii) investing his assets as a passive investor in other entities or business ventures, provided that he performs no management or similar role with respect to such entities or ventures and such investment does not violate Section 8 hereof.

(c) TRAVEL. In performing his duties hereunder, Executive shall be available for all reasonable travel as the needs of the Employer's business may require. Executive shall be based in the metropolitan area of New York City (the "New York City metropolitan area").

3. COMPENSATION AND BENEFITS. In consideration of Executive's services hereunder, the Employer shall compensate Executive as provided in this Section 3.

(a) BASE SALARY. The Employer shall pay Executive an aggregate annual salary at the rate of \$250,000 per annum during the Employment Period ("Base Salary"), subject to applicable withholding. Base Salary shall be payable in accordance with the Employer's normal business practices, but in no event less frequently than monthly. Executive's Base Salary shall be reviewed no less frequently than annually by the Employer and may be increased, but not decreased, by the Employer during the Employment Period.

(b) INCENTIVE COMPENSATION. In addition to the Base Salary payable to Executive pursuant to Section 3(a), during the Employment Period, Executive shall be eligible to participate in any incentive compensation plans in effect with respect to senior executive officers of the Employer, subject to Executive's compliance with such criteria as the Employer's Board of Directors, in its sole discretion, may establish for Executive's participation in such plans from time to time. Any awards to Executive under such plans will be established by the Employer's Board of Directors, or a committee thereof, in its sole discretion.

(c) STOCK OPTIONS. During the Employment Period, Executive shall be eligible to participate in employee stock option plans established from time to time for the benefit of senior executive officers and other employees of the Employer in accordance with the terms and conditions of such plans. All decisions regarding awards to Executive under the Employer's stock option plans shall be made in the sole discretion of the Employer's Board of Directors, or a committee thereof.

(d) EXPENSES. Executive shall be reimbursed for all reasonable business related expenses incurred by Executive at the request of or on behalf of the Employer, provided that such expenses are incurred and accounted for in accordance with the policies and procedures established by the Employer.

(e) MEDICAL INSURANCE. During the Employment Period, Executive and Executive's immediate family shall be entitled to participate in such medical benefit plan as the Employer shall maintain from time to time for the benefit of senior executive officers of the Employer and their families, on the terms and subject to the conditions set forth in such plan. Nothing in this section shall limit the Employer's right to change, modify or terminate any benefit plan or program as it sees fit from time to time in the normal course of business.

(f) VACATIONS. Executive shall be entitled to reasonable paid vacations in accordance with the then regular procedures of the Employer governing senior executive officers, not to exceed four weeks per annum, in the aggregate.

2

(g) OTHER BENEFITS. During the Employment Period, the Employer shall provide to Executive such other benefits, including sick leave and the right to participate in such retirement or pension plans, as are made generally available to senior executive officers and employees of the Employer from time to time.

4. INDEMNIFICATION AND LIABILITY INSURANCE. The Employer agrees to indemnify Executive to the extent permitted by applicable law with respect to any actions commenced against Executive in his capacity as an officer or director, or former officer or director, of the Employer or any affiliate thereof for which he may serve in such capacity. The Employer also agrees to use its best efforts to secure and maintain officers and directors liability insurance providing coverage for Executive.

5. EMPLOYER'S POLICIES. Executive agrees to observe and comply with the rules and regulations of the Employer as adopted by its Board of Directors from time to time regarding the performance of his duties and to carry out and perform orders, directions and policies communicated to him from time to time by the Employer's Board of Directors.

6. TERMINATION. The Executive's employment hereunder may be terminated under the following circumstances:

(a) TERMINATION BY THE EMPLOYER.

(i) DEATH. The Executive's employment hereunder shall terminate upon his death.

(ii) DISABILITY. If, in the reasonable good faith determination of the Board of Directors, as a result of the Executive's incapacity due to physical or mental illness or disability, the Executive shall have been incapable of performing his duties hereunder even with a reasonable accommodation on a full-time basis for the entire period of three consecutive months or any 90 days in a 180-day period, and within 30 days after written Notice of Termination (as defined in Section 6(c)) is given he shall not have returned to the performance of his duties hereunder on a full-time basis, the Employer may terminate the Executive's employment hereunder.

(iii) CAUSE. The Employer may terminate the Executive's employment hereunder for Cause. For purposes of the Agreement, "Cause" shall mean that the Board of Directors of the Employer concludes, in good faith and after reasonable investigation, that: (i) the Executive engaged in conduct which is a felony under the laws of the United States or any state or political subdivision thereof; (ii) the Executive engaged in conduct constituting breach of fiduciary duty, gross negligence or willful misconduct relating to the Employer, fraud or dishonesty or willful or material misrepresentation relating to the business of the Employer; (iii) the Executive breached his obligations or covenants under Section 8

3

of this Agreement in any material respect; or (iv) the Executive failed to substantially perform his duties hereunder more than 15 days after receiving notice of such failure from the Employer, which notice specifically identifies the manner in which he has failed so to perform.

(iv) WITHOUT CAUSE. Executive's employment hereunder may be terminated by the Employer at any time with or without Cause (as defined in Section 6(a)(iii) above), by a majority vote of all of the members of the Board of Directors of the Employer upon written notice to Executive, subject only to the severance provisions specifically set forth Section 7.

(b) TERMINATION BY THE EXECUTIVE.

(i) DISABILITY. The Executive may terminate his employment hereunder for Disability within the meaning of Section 6(a)(ii) above.

(ii) WITH GOOD REASON. Executive's employment hereunder may be terminated by Executive With Good Reason effective immediately by written notice to the Board of Directors of the Employer. For purposes of this Agreement, "With Good Reason" shall mean: (i) a failure of the Board of Directors of the Employer to elect Executive to offices with the same or substantially the same duties and responsibilities as set forth in Section 2; (ii) a material failure by the Employer to comply with the provisions of Section 3 or a material breach by the Employer of any other provision of this Agreement which has not been cured within thirty (30) days after notice of noncompliance, (specifying the nature of the noncompliance) has been given by the Executive to the Employer; or (iii) a Force Out (as such term is defined in Section 6(d) below).

(c) NOTICE OF TERMINATION. Any termination of the Executive's employment by the Employer or by the Executive (other than termination pursuant to subsection (a)(1) hereof) shall be communicated by written Notice of Termination to the other party hereto in accordance with Section

11 of this Agreement. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon and, as applicable, shall set forth in reasonable detail the fact and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated.

(d) DEFINITIONS. The following terms shall be defined as set forth below.

(i) A "Change-in-Control" shall be deemed to have occurred after the effective date of the IPO if:

4

(A) any Person, together with all "affiliates" and "associates" (as such terms are defined in Rule 12b-2 under the Securities Exchange Act of 1934 (the "Exchange Act")) of such Person, shall become the "beneficial owner" (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Employer representing 40% or more of either (A) the combined voting power of the Employer's then outstanding securities having the right to vote in an election of the Employer's Board of Directors ("Voting Securities") or (B) the then outstanding shares of all classes of stock of the Employer (in either such case other than as a result of the acquisition of securities directly from the Employer); or

(B) individuals who, as of the date of the closing of the IPO, constitute the Employer's Board of Directors (the "Incumbent Directors") cease for any reason, including, without limitation, as a result of a tender offer, proxy contest, merger or similar transaction, to constitute at least a majority of the Employer's Board of Directors, provided that any person becoming a director of the Employer subsequent to the closing of the IPO whose election or nomination for election was approved by a vote of at least a majority of the Incumbent Directors shall, for purposes of this Agreement, be considered an Incumbent Director; or

(C) the stockholders of the Employer shall approve (1) any consolidation or merger of the Employer or any subsidiary where the stockholders of the Employer, immediately prior to the consolidation or merger, would not, immediately after the consolidation or merger, beneficially own (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, shares representing in the aggregate at least 50% of the voting shares of the corporation issuing cash or securities in the consolidation or merger (or of its ultimate parent corporation, if any), (2) any sale, lease, exchange or other transfer (in one transaction or a series of transactions contemplated or arranged by any party as a single plan) of all or substantially all of the assets of the Employer or (3) any plan or proposal for the liquidation or dissolution of the Employer;

Notwithstanding the foregoing, a "Change-in-Control" shall not be deemed to have occurred for purposes of the foregoing clause (A) solely as the result of an acquisition of securities by the Employer which, by reducing the number of shares of stock or other Voting Securities outstanding, increases (x) the proportionate number of shares of stock of the Employer beneficially owned by any Person to 40% or more of the shares of stock then outstanding or (y) the proportionate voting power represented by the Voting Securities beneficially owned by any Person to 40% or more of the combined voting power of all then outstanding Voting Securities; PROVIDED, HOWEVER, that if any Person referred to in clause (x) or (y) of this sentence shall

5

thereafter become the beneficial owner of any additional stock of the Employer or other Voting Securities (other than pursuant to a share split, stock dividend, or similar transaction), then a "Change-in-Control" shall be deemed to have occurred for purposes for the foregoing clause (A).

(ii) A "Force Out" shall be deemed to have occurred in the event of a Change-In-Control followed by:

(A) a change in duties, responsibilities, status or positions with the Employer, which, in Executive's reasonable judgment, does not represent a promotion from or maintaining of Executive's duties, responsibilities, status or positions as in effect immediately prior to the Change-In-Control, or any removal of Executive from or any failure to reappoint or reelect Executive to such positions, except in connection with the termination of Executive's employment for Cause, disability, retirement or death;

(B) a reduction by the Employer in Executive's Base Salary as in effect immediately prior to the Change-In-Control;

(C) the failure by the Employer to continue in effect any of the benefit plans in which Executive is participating at the time of the Change-In-Control of the Employer (unless Executive is permitted to participate in any substitute benefit plan with substantially the same terms and to the same extent and with the same rights as Executive had with respect to the benefit plan that is discontinued) other than as a result of the normal expiration of any such benefit plan in accordance with its terms

as in effect at the time of the Change-In-Control, or the taking of any action, or the failure to act, by the Employer which would adversely affect Executive's continued participation in any of such benefit plans on at least as favorable a basis to Executive as was the case on the date of the Change-In-Control or which would materially reduce Executive's benefits in the future under any of such benefit plans or deprive Executive of any material benefits enjoyed by Executive at the time of the Change-In-Control; PROVIDED, HOWEVER, that any such action or inaction on the part of the Employer, including any modification, cancellation or termination of any benefits plan, undertaken in order to maintain such plan in compliance with any federal, state or local law or regulation governing benefits plans, including, but not limited to, the Employment Retirement Income Security Act of 1974, shall not constitute a Force Out for the purposes of this Agreement.

(D) the Employer's requiring Executive to be based in an office located beyond a reasonable commuting distance from Executive's residence immediately prior to the Change-In-Control, except for required

6

travel relating to the Employer's business to an extent substantially consistent with the business travel obligations which Executive undertook on behalf of the Employer prior to the Change-In-Control;

(E) the failure by the Employer to obtain from any successor to the Employer an agreement to be bound by this Agreement pursuant to Section 14 hereof; or

(iii) "Person" shall have the meaning used in Sections 13(d) and 14(d) of the Exchange Act; provided however, that the term "Person" shall not include (A) any current partner of SL Green Operating Partnership, L.P., any stockholder or employee of the Employer on the date hereof or any estate or member of the immediate family of such a partner, stockholder or employee, or (B) the Employer, any of its subsidiaries, or any trustee, fiduciary or other person or entity holding securities under any employee benefit plan of the Employer or any of its subsidiaries.

7. COMPENSATION UPON TERMINATION OR DURING DISABILITY.

(a) TERMINATION WITHOUT CAUSE OR WITH GOOD REASON. If (i) Executive is terminated without Cause pursuant to Section 6(a)(iv) above, or (ii) Executive shall terminate his employment hereunder with Good Reason pursuant to Section (6)(b)(ii) above, then the Employment Period shall terminate as of the effective date set forth in the written notice of such termination (the "Termination Date") and Executive shall be entitled to the following benefits:

(i) The Employer shall continue to pay Executive's Base Salary for the remaining term of the Employment Period after the date of Executive's termination, at the rate in effect on the date of his termination and on the same periodic payment dates as payment would have been made to Executive had the Employment Period not been terminated;

(ii) For the remaining term of the Employment Period, Executive shall continue to receive all benefits described in Section 3 existing on the date of termination, subject to the terms and conditions upon which such benefits may be offered. For purposes of the application of such benefits, Executive shall be treated as if he had remained in the employ of the Employer with a Base Salary at the rate in effect on the date of termination;

(iii) For purposes of any stock option plan of the Employer, Executive shall be treated as if he had remained in the employ of the Employer for the remaining term of the Employment Period after the date of Executive's termination so that Executive may exercise any exercisable options and Executive's other rights shall continue to vest during the remaining term of the

7

Employment Period with respect to any options previously granted under such plans except as otherwise provided in such plan;

(iv) Nothing herein shall be deemed to obligate Executive to seek other employment in the event of any such termination and any amounts earned or benefits received from such other employment will not serve to reduce in any way the amounts and benefits payable in accordance herewith.

(b) TERMINATION FOR CAUSE OR WITHOUT GOOD REASON. If (i) Executive is terminated for Cause pursuant to Section 6(a)(iii) above, or (ii) Executive shall voluntarily terminate his employment hereunder without Good Reason pursuant to Section 6(b)(iii) above, then the Employment Period shall terminate as of the effective date set forth in the written notice of such termination (the "Termination Date") and Executive shall be entitled to receive only his Base Salary at the rate then in effect until the Termination Date and any outstanding stock options held by Executive shall expire in accordance with the terms of the stock option plan or option agreement under which the stock options were granted.

(c) TERMINATION BY REASON OF DEATH. If Executive's employment terminates due to his death, the Employer shall pay Executive's Base Salary for a period of six months from the date of his death, or such longer period as the Employer's Board of Directors may determine, to Executive's estate or to a beneficiary designated by Executive in writing prior to his death. Any unexercised or unvested stock options shall remain exercisable or vest upon Executive's death only to the extent provided in the applicable option plan and option agreements.

(d) TERMINATION BY REASON OF DISABILITY. In the event that Executive's employment terminates due to his disability as defined in Section 6(a)(ii) above, Executive shall be entitled to be paid his Base Salary until the later of such time when (i) the period of disability or illness (whether or not the same disability or illness) shall exceed 180 consecutive days during the Employment Period and (ii) Executive becomes eligible to receive benefits under a comprehensive disability insurance policy obtained by the Employer (the "Disability Period"). Following the expiration of the Disability Period, the Employer may terminate this Agreement upon written notice of such termination. Any unexercised or unvested stock options shall remain exercisable or vest upon such termination only to the extent provided in the applicable option plan and option agreements.

(e) ARBITRATION IN THE EVENT OF A DISPUTE REGARDING THE NATURE OF TERMINATION. In the event that the Executive's employment is terminated by the Employer for Cause or by Executive for Good Reason, and either party contends that such Cause or Good Reason did not exist, the parties agree to submit such claim to arbitration before the American Arbitration Association ("AAA"), and Executive hereby agrees to submit to any such dispute to arbitration pursuant to the terms of this Section 7(e). In such

a

8

proceeding, the only issue before the arbitrator will be whether Executive's employment was in fact terminated for Cause or for Good Reason, as the case may be. If the arbitrator determines that Executive's employment was terminated by the Employer without Cause or was terminated by Executive for Good Reason, the only remedy that the arbitrator may award is an amount equal to the severance payments specified in Section 7, the costs of arbitration, and Executive's attorneys' fees. If the arbitrator finds that Executive's employment was terminated by the Employer for Cause or by the Executive without Good Reason, the arbitrator will be without authority to award Executive anything, and the parties will each be responsible for their own attorneys' fees, and the costs of arbitration will be paid 50% by Executive and 50% by the Employer.

8. CONFIDENTIALITY; PROHIBITED ACTIVITIES. The Executive and the Employer recognize that due to the nature of his employment and relationship with the Employer, the Executive has access to and develops confidential business information, proprietary information, and trade secrets relating to the business and operations of the Employer. The Executive acknowledges that such information is valuable to the business of the Employer, and that disclosure to, or use for the benefit of, any person or entity other than the Employer, would cause irreparable damage to the Employer. The Executive further acknowledges that his duties for the Employer include the duty to develop and maintain client, customer, employee, and other business relationships on behalf of the Employer; and that access to and development of those close business relationships for the Employer render his services special, unique and extraordinary. In recognition that the good will and business relationships described herein are valuable to the Employer, and that loss of or damage to those relationships would destroy or diminish the value of the Employer, the Executive agrees as follows:

(a) CONFIDENTIALITY. During the term of this Agreement (including any renewals), and at all times thereafter, the Executive shall maintain the confidentiality of all confidential or proprietary information of the Employer ("Confidential Information"), and, except in furtherance of the business of the Employer, he shall not directly or indirectly disclose any such information to any person or entity; nor shall he use Confidential Information for any purpose except for the benefit of the Employer. For purposes of the Agreement, "Confidential Information" includes, without limitation: client or customer lists, identities, contacts, business and financial information; investment strategies; pricing information or policies, fees or commission arrangements of the Employer; marketing plans, projections, presentations or strategies of the Employer; financial and budget information of the Employer; new personnel acquisition plans; and all other business related information which has not been publicly disclosed by the Employer. This restriction shall apply regardless of whether such Confidential Information is in written, graphic, recorded, photographic, data or any machine readable form or is orally conveyed to, or memorized by, the Executive. The Executive further agrees that, during the Employment Period and at all times thereafter, he shall keep confidential and shall not release, use or disclose without prior written permission of the Employer, all Confidential Information developed by him on behalf of the Employer or provided to him by the Employer, excepting only such information as was already known

9

to him prior to the commencement of his employment by the Employer or such information as is already known to the public.

(b) PROHIBITED ACTIVITIES. Because Executive's services to the Employer are essential and because Executive has access to the Employer's Confidential Information, Executive covenants and agrees that (i) during

the Employment Period and (ii) in the event that this Agreement is terminated by the Employer for Cause or by Executive other than for Good Reason, during the Noncompetition Period, Executive will not, without the prior written consent of the Board of Directors of the Employer which shall include the unanimous consent of the Directors who are not officers of the Employer, directly or indirectly (individually, or through or on behalf of another entity as owner, partner, agent, employee, consultant, or in any other capacity):

(i) engage, participate or assist, as an owner, partner, employee, consultant, director, officer, trustee or agent, in any business that engages or attempts to engage in, directly or indirectly, the acquisition, development, construction, operation, management or leasing of any office real estate property anywhere in the New York City metropolitan area;

(ii) seek, solicit, or engage in any attempt to establish for himself or for any other person or entity, a business relationship with any person or entity who was a client or customer of the Employer, or who was solicited to become a client or customer of the Employer, during the Employment Period ("Employer Clients");

(iii) engage in any activity to interfere with, disrupt or damage the business of the Employer, or its relationships with any Employer Client, employee, supplier or other business relationship;

(iv) engage in business with, or provide advice or services to, any Employer Client solicited by the Executive in breach of Section 8 of this Agreement (whether or not such services are compensated);

(v) receive, or cause any other person or entity to receive, any compensation, consideration, or income, in any form, from any Employer Client solicited by him in breach of Section 8 of this Agreement; or

(vi) solicit, encourage, or engage in any activity to induce any Employee of the Employer to terminate employment with the Employer, or to become employed by, or to enter into a business relationship with, any other person or entity. For purposes of this subsection, the term Employee means any individual who is an employee of or consultant to the Employer (or any affiliate) during the six-month period prior to Executive's last day of employment.

10

(c) NONCOMPETITION PERIOD. For purposes of this Section 8, the Noncompetition Period shall mean the period commencing on the date of termination of Executive's employment under this Agreement and ending on the later of (i) the third anniversary of the IPO closing date or (ii) the first anniversary of the date of termination of Executive's employment under this Agreement.

(d) OPTION PROPERTY. Notwithstanding anything contained herein to the contrary, Executive is not prohibited by this Section 8 from (i) maintaining his investment in any Option Property (as such term is defined in the Employer's final prospectus relating to the IPO) or in any asset listed in the Employer's final prospectus relating to the IPO under the caption "The Properties - Assets Not Being Transferred to the Company" or (ii) from making investments in any entity that engages, directly or indirectly, in the acquisition, development, construction, operation, management or leasing of office real estate properties, regardless of where they are located, if the shares or other ownership interests of such entity are publicly traded and Executive's aggregate investment in such entity constitutes less than one percent (1%) of the equity ownership of such entity.

(e) EMPLOYER PROPERTY. The Executive acknowledges that all originals and copies of materials, records and documents generated by him or coming into his possession during his employment by the Employer are the sole property of the Employer ("Employer Property"). During his employment, and at all times thereafter, the Executive shall not remove, or cause to be removed, from the premises of the Employer, copies of any record, file, memorandum, document, computer related information or equipment, or any other item relating to the business of the Employer, except in furtherance of his duties under the Agreement. When the Executive terminates his employment with the Employer, or upon request of the Employer at any time, the Executive shall promptly deliver to the Employer all originals and copies of Employer Property in his possession or control and shall not retain any originals or copies in any form.

(f) NO DISPARAGEMENT. Following termination of the Executive's employment for any reason, the Executive shall not disclose or cause to be disclosed any negative, adverse or derogatory comments or information about (i) the Employer and its parent, affiliates or subsidiaries, if any; (ii) any product or service provided by the Employer and its parent, affiliates or subsidiaries, if any; or (iii) the Employer's and its parent's, affiliates' or subsidiaries' prospects for the future.

(g) REMEDIES. The Executive declares that the foregoing limitations in Sections 8(a) through 8(f) above are reasonable and necessary for the adequate protection of the business and the goodwill of the Employer. If any restriction contained in this Section 8 shall be deemed to be invalid, illegal or unenforceable by reason of the extent, duration or scope thereof, or otherwise, then the court making such determination shall have the right to reduce such extent, duration, scope, or other provisions hereof to make

the restriction consistent with applicable law, and in its reduced form such restriction shall then be enforceable in the manner contemplated hereby. In the event that the Executive breaches any of the promises contained in this Section 8, the Executive acknowledges that the Employer's remedy at law for damages will be inadequate and that the Employer will be entitled to specific performance, a temporary restraining order or preliminary injunction to prevent the Executive's prospective or continuing breach and to maintain the status quo. The existence of this right to injunctive relief, or other equitable relief, or the Employer's exercise of any of these rights, shall not limit any other rights or remedies the Employer may have in law or in equity including, without limitation, the right to arbitration contained in Section 7(e) hereof and the right to compensatory, punitive and monetary damages. In the event that a final non-appealable judgment is entered in favor of one of the parties, that party shall be reimbursed by the other party for all costs and attorneys' fees incurred by such party in such action. Executive hereby agrees to waive his right to a jury trial with respect to any action commenced to enforce the terms of this Agreement.

(h) TRANSITION. Regardless of the reason for his departure from the Employer, the Executive agrees that: (i) he shall assist the Employer in maintaining the business of the clients and customers with whom the Executive has a relationship; and (ii) he shall take all steps reasonably requested by the Employer to effect a successful transition of those relationships to the person or persons designated by the Employer.

(i) SURVIVAL. The provisions of this Section 8 shall survive termination of the Executive's employment. The covenants contained in Section 8 shall be construed as independent of any of other provisions contained in this Agreement and shall be enforceable regardless of whether the Executive has a claim against the Employer under the Agreement or otherwise.

9. COOPERATION. The Executive agrees to give prompt written notice to the Employer of any claim or injury relating to the Employer, and to fully cooperate in good faith and to the best of his ability with the Employer in connection with all pending, potential or future claims, investigations or actions which directly or indirectly relate to any transaction, event or activity about which the Executive may have knowledge because of his employment with the Employer. Such cooperation shall include all assistance that the Employer, its counsel, or its representatives may reasonably request, including reviewing documents, meeting with counsel, providing factual information and material, and appearing or testifying as a witness.

10. CONFLICTING AGREEMENTS. Executive hereby represents and warrants that the execution of this Agreement and the performance of his obligations hereunder will not breach or be in conflict with any other agreement to which he is a party or is bound, and that he is not now subject to any covenants against competition or similar covenants which would affect the performance of his obligations hereunder.

12

11. NOTICES. All notices or other communications required or permitted to be given hereunder shall be in writing and shall be delivered by hand and or sent by prepaid telex, cable or other electronic devices or sent, postage prepaid, by registered or certified mail or telecopy or overnight courier service and shall be deemed given when so delivered by hand, telexed, cabled or telecopied, or if mailed, three days after mailing (one business day in the case of express mail or overnight courier service), as follows:

(a) if to the Executive:

Stephen L. Green
70 West 36th Street
New York, New York 10018

(b) if to the Employer:

SL Green Realty Corp.
70 West 36th Street
New York, New York 10018

or such other address as either party may from time to time specify by written notice to the other party hereto.

12. AMENDMENTS. No amendment, modification or waiver in respect of this Agreement shall be effective unless it shall be in writing and signed by the party against whom such amendment, modification or waiver is sought.

13. SEVERABILITY. If any provision of this Agreement (or any portion thereof) or the application of any such provision (or any portion thereof) to any person or circumstance shall be held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision hereof (or the remaining portion thereof) or the application of such provision to any other persons or circumstances.

14. SUCCESSORS. Neither this Agreement nor any rights hereunder may be assigned or hypothecated by the Executive. This Agreement may be assigned by the Employer and shall be binding upon, and inure to the benefit of, the Employer's successors and assigns.

15. COUNTERPARTS. This Agreement may be executed in one or more

counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more such counterparts have been signed by each of the parties and delivered to the other party.

16. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to agreements made and to be

13

performed entirely within such State, without regard to the conflicts of law principles of such State.

17. CHOICE OF VENUE. Executive agrees to submit to the jurisdiction of the United States District Court for the Southern District of New York or the Supreme Court of the State of New York, New York County, for the purpose of any action to enforce any of the terms of this Agreement.

18. ENTIRE AGREEMENT. This Agreement contains the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings relating to such subject matter. The parties hereto shall not be liable or bound to any other party in any manner by any representations, warranties or covenants relating to such subject matter except as specifically set forth herein.

19. PARAGRAPH HEADINGS. Paragraph headings used in this Agreement are included for convenience of reference only and will not affect the meaning of any provision of this agreement.

14

IN WITNESS WHEREOF, this Agreement is entered into as of the date and year first above written.

SL GREEN REALTY CORP.

By: /s/ Benjamin P. Feldman

Name: Benjamin P. Feldman
Title: Executive Vice President

/s/ Stephen L. Green

Stephen L. Green

15

AMENDED AND RESTATED
EMPLOYMENT AND NONCOMPETITION AGREEMENT

This AMENDED AND RESTATED EMPLOYMENT AND NONCOMPETITION AGREEMENT ("Agreement") is made as of the 17th day of January, 2001 between Marc Holliday ("Executive") and SL Green Realty Corp., a Maryland corporation with its principal place of business at 420 Lexington Avenue, New York, New York 10170 (the "Employer"), and amends and completely restates the Employment and Noncompetition Agreement made as of the 17th day of July, 1998 (the "Original Agreement"). If it shall be determined that any ambiguity or conflict exists between any provision in this Agreement and any provision in any other agreement entered into between Executive and the Employer, then, to the extent of any such ambiguity or conflict, the provisions contained in this Agreement shall control.

1. **TERM.** The term of this Agreement shall commence on the date first above written and, unless earlier terminated as provided in Section 6 below, shall terminate on the sixth anniversary of the date of this Agreement (the "Current Term"); PROVIDED, HOWEVER, that Section 8 hereof shall survive the termination of this Agreement as provided therein. The Current Term shall automatically be extended for successive nine (9) month periods (each a "Renewal Term"), unless either party shall notify the other in writing at least six (6) months prior to the expiration of the Current Term or the applicable Renewal Term of its intention not to renew such Term. The period of Executive's employment hereunder consisting of the Current Term and all Renewal Terms, if any, is herein referred to as the "Employment Period" and any anniversary of the date of this Agreement is herein referred to as an "Anniversary".

2. **EMPLOYMENT AND DUTIES.**

(a) **DUTIES.** During the Employment Period, Executive shall be employed in the business of the Employer and its affiliates. Executive shall serve the Employer as a senior corporate executive with the title of Chief Investment Officer of the Employer. Effective upon the termination of employment of the current President of the Employer, Executive shall serve the Employer with the title of President of the Employer. Executive will report directly to Stephen L. Green, the Chief Executive Officer of the Employer. As Chief Investment Officer, Executive shall be principally responsible for all of the investment activities of Employer and shall provide assistance to Employer's Chief Executive Officer in arranging financing, debt and equity capital on behalf of the Employer. As President, Executive shall be principally responsible for the management and investment activities of Employer and shall provide assistance to Employer's Chief Executive Officer in connection with all such activities. Executive's duties and authority shall be as further set forth in the By-laws of the Employer and as otherwise established from time to time by the Board of Directors of the Employer, but in all events such duties shall be commensurate with his titles and positions with the Employer.

(b) **BEST EFFORTS.** Executive agrees to his employment as described in this Section 2 and agrees to devote substantially all of his business time and efforts to the

performance of his duties under this Agreement, except as otherwise approved by the Board of Directors of the Employer; PROVIDED, HOWEVER, that nothing herein shall be interpreted to preclude Executive from (i) participating as an officer or director of, or advisor to, any charitable or other tax exempt organization or otherwise engaging in charitable, fraternal or trade group activities, or (ii) investing his assets as a passive investor in other entities or business ventures, provided that he performs no management or similar role with respect to such entities or ventures and such investment does not violate Section 8 hereof, or (iii) serving on the board of directors of his family owned Long Island gas station company.

(c) **TRAVEL.** In performing his duties hereunder, Executive shall be available for all reasonable travel as the needs of the Employer's business may require. Executive shall be based in the metropolitan area of New York City (the "New York City metropolitan area").

3. **COMPENSATION AND BENEFITS.** In consideration of Executive's services hereunder, the Employer shall compensate Executive as provided in this Section 3.

(a) **BASE SALARY.** The Employer shall pay Executive an aggregate minimum annual salary at the rate of \$400,000 per annum during the Employment Period ("Base Salary"), subject to applicable tax withholding. Base Salary shall be payable monthly in accordance with the Employer's normal business practices. Solely for the purpose of determining whether Executive's Base Salary payable under this Section 3(a) should be increased, the Base Salary shall be subject to review by the Employer's Board of Directors or Compensation Committee at least once annually.

(b) **FORGIVABLE LOAN.** Within 60 days after the execution of this Agreement by Employer and Executive, the Employer shall make a non-recourse loan to Executive in the amount of \$1,000,000, which shall bear interest at the applicable federal rate. The outstanding principal balance of such loan and all accrued interest shall be due and payable on the earliest of (i) January 17, 2007, (ii) the date on which the Executive's employment is terminated by the Employer for Cause, or (iii) the date on which the Executive's employment is terminated by the Executive without Good Reason. Such loan shall be secured by unrestricted shares of the Employer's common stock ("Common Stock") that are beneficially owned by the Executive on the

date of the loan and that have a closing market value on such date of at least \$1,000,000. The Executive shall receive all dividends paid with respect to such shares of Common Stock, and such shares shall be released from collateral and returned to the Executive at the time such loan is repaid from sources other than the collateral shares or forgiven pursuant to this Section 3(b) or Section 7(a)(i) or upon the Executive's death or disability.

If (i) the Employer achieves, in the aggregate, an 80% return (including all dividends and stock appreciation) to shareholders during the period beginning on January 1, 2001 and ending on December 31, 2006 and (ii) the Executive continues to be employed by the

2

Employer on the final date of the Current Term (January 17, 2007), then the outstanding principal balance of such loan and all accrued interest shall thereupon be forgiven by the Employer. Notwithstanding anything to the contrary contained in this Agreement or any other agreement between Executive and the Employer, if the terms of the non-recourse loan described in this Section 3(c) are accelerated for any reason, the performance target described in subsection (i) of the previous sentence shall not apply.

(c) BONUSES. During the Employment Period, Executive shall receive such discretionary annual bonuses as the Employer's Board of Directors, in its sole discretion, may deem appropriate to reward Executive for job performance; PROVIDED, HOWEVER, that Executive's target annual performance bonus shall not be less than \$200,000. Each of the bonuses described in this Section 3(c) shall be subject to applicable tax withholdings.

(d) STOCK OPTIONS. During the Employment Period, in the sole discretion of the Employer's Board of Directors or a committee thereof, Executive shall be eligible to participate in the Employer's then current Stock Option and Incentive Plan (the "Plan"), which authorizes the grant of stock options, stock awards and the making of loans to acquire stock.

(e) EQUITY AWARDS.

(i) Effective as of the date that the Original Agreement was executed by the Employer and Executive, Executive was granted 150,000 restricted shares of Common Stock (the "Original Grant"). The Original Grant became vested and nonforfeitable as to 22,500 shares on July 17, 1999 and 22,500 shares on July 17, 2000. The Original Grant shall become vested and nonforfeitable as to 22,500 shares on July 17, 2001, 30,000 shares on July 17, 2002 and 52,500 shares on July 17, 2003, subject to (i) the Employer achieving either an 8% increase in funds from operations (on a gross dollar basis) or a 15% total return (including all dividends and stock appreciation) to shareholders during the last fiscal year completed before the applicable vesting date, and (ii) the Executive remaining employed by the Employer except as otherwise provided herein. The Original Grant shall remain in effect in accordance with its terms, except that 22,500 of the shares eligible to become vested on July 17, 2003 will, upon satisfaction of the otherwise applicable vesting requirements, be added to the grant of 105,000 additional restricted shares described in the following paragraph.

Effective as of the date that this Agreement is executed by the Employer and Executive, Executive shall be granted 105,000 additional restricted shares of Common Stock (the "Subsequent Grant"). Such grant (together with the 22,500 shares carried over from the Original Grant) shall become vested and nonforfeitable as to 30,000 shares on July 17, 2004, 30,000 shares on July 17, 2005, 30,000 shares on July 17, 2006 and 37,500 shares on January 17, 2007, subject to (i) the Employer achieving either a 10% increase in funds from operations (on a per share basis) or a 15% total return (including all dividends and

3

stock appreciation) to shareholders during the last fiscal year completed before the applicable vesting date, and (ii) the Executive remaining employed by the Employer except as otherwise provided herein. Furthermore, for any vesting period ending in 2004, 2005, 2006 or 2007, (i) if the Employer achieves either an increase in funds from operations (on a per share basis) of at least 8% (but less than 9%) or a total return to shareholders of at least 13% (but less than 14%) during the last fiscal year completed before the applicable vesting date, then 80% of the restricted shares that otherwise would have become vested on such vesting date shall become vested, (ii) if the Employer achieves either an increase in funds from operations (on a per share basis) of at least 9% (but less than 10%) or a total return to shareholders of at least 14% (but less than 15%) during the last fiscal year completed before the applicable vesting date, then 90% of the restricted shares that otherwise would have become vested on such vesting date shall become vested, and (iii) if the Employer achieves a total return to shareholders in the top one-third of a peer group of companies (to be determined each year by the Compensation Committee of the Employer's Board of Directors) during the last fiscal year completed before the applicable vesting date, then 100% of the restricted shares that otherwise would have become vested on such vesting date shall become vested.

If necessary to reach a vesting threshold for any period, the Compensation Committee of the Employer's Board of Directors will determine such amounts by averaging cumulative increases and returns on a look-back or look-forward basis. The Employer shall pay Executive

an additional cash amount as a tax gross-up upon each vesting date equal to 40% of the value of the shares included in Executive's taxable income on such date. Executive will receive the full cash dividends attributable to all nonforfeited shares of restricted stock, regardless of whether such shares have become vested on the record date for such dividends.

(f) EXPENSES. Executive shall be reimbursed for all reasonable business related expenses incurred by Executive at the request of or on behalf of the Employer, provided that such expenses are incurred and accounted for in accordance with the policies and procedures established by the Employer.

(g) MEDICAL INSURANCE. During the Employment Period, Executive and Executive's immediate family shall be entitled to participate in such medical benefit plan as the Employer shall maintain from time to time for the benefit of senior executive officers of the Employer and their families, on the terms and subject to the conditions set forth in such plan. Nothing in this section shall limit the Employer's right to change, modify or terminate any benefit plan or program as it sees fit from time to time in the normal course of business.

4

(h) VACATIONS. Executive shall be entitled to reasonable paid vacations in accordance with the then regular procedures of the Employer governing senior executive officers.

(i) OTHER BENEFITS. During the Employment Period, the Employer shall provide to Executive such other benefits, including disability insurance, sick leave and the right to participate in such retirement or pension plans, as are made generally available to senior executive officers and employees of the Employer from time to time, as well as the services of an exclusive personal assistant.

4. INDEMNIFICATION AND LIABILITY INSURANCE. Executive hereby warrants that his execution of this Agreement, and performance of duties hereunder, does not constitute the breach of any other executed contract to which Executive may be a party, and does not constitute the breach of any restrictive covenant by which Executive may be bound. The Employer agrees to indemnify Executive to the extent permitted by applicable law from and against any and all losses, damages, claims, liabilities and expenses for which such indemnified party has not otherwise been reimbursed (including the costs and expenses of legal counsel retained by the Employer to defend the Executive and judgments, fines and amounts paid in settlement actually and reasonably incurred by or imposed on such indemnified party) with respect to any actions commenced against Executive either with regard to his entering this Agreement with the Employer or in his capacity as an officer or director, or former officer or director, of the Employer or any affiliate thereof for which he may serve in such capacity. The Employer also agrees to use its best efforts to secure and maintain officers and directors liability insurance providing coverage for Executive.

5. EMPLOYER'S POLICIES. Executive agrees to observe and comply with the reasonable rules and regulations of the Employer as adopted by its Board of Directors from time to time regarding the performance of his duties and to carry out and perform orders, directions and policies communicated to him from time to time by the Employer's Board of Directors.

6. TERMINATION. The Executive's employment hereunder may be terminated under the following circumstances

(a) TERMINATION BY THE EMPLOYER.

(i) DEATH. The Executive's employment hereunder shall terminate upon his death.

(ii) DISABILITY. If, in the reasonable good faith determination of the Board of Directors, as a result of the Executive's incapacity due to physical or mental illness or disability, the Executive shall have been incapable of performing his duties hereunder even with a reasonable accommodation on a full-time basis for the entire period of three consecutive months or any 90 days in a 180-day period, and within 30 days after written Notice of Termination (as defined in Section 6(c)) is given he shall not have returned to the performance of his duties

5

hereunder on a full-time basis, the Employer may terminate Executive's employment hereunder.

(iii) CAUSE. The Employer may terminate Executive's employment hereunder for Cause. For purposes of the Agreement, "Cause" shall mean that the Board of Directors of the Employer concludes, in good faith and after reasonable investigation, that: (i) Executive engaged in conduct which is a felony under the laws of the United States or any state or political subdivision thereof; (ii) Executive engaged in conduct constituting a material breach of fiduciary duty, gross negligence or willful and material misconduct relating to the Employer, material fraud or willful and material misrepresentation relating to the business of the Employer; (iii) Executive materially breached his obligations or covenants under Section 8(a) of this Agreement; or (iv) Executive failed to perform his duties hereunder in a manner and at a level consistent with his position and past performance after receiving notice from the Employer specifically identifying the manner in which Executive has failed to perform (it

being understood that, for this purpose, the manner and level of Executive's performance shall not be determined based on the financial performance of the Employer).

(iv) WITHOUT CAUSE. Executive's employment hereunder may be terminated by the Employer at any time with or without Cause (as defined in Section 6(a)(iii) above), by a majority vote of all of the members of the Board of Directors of the Employer upon written notice to Executive, subject only to the severance provisions specifically set forth in Section 7.

(b) TERMINATION BY THE EXECUTIVE.

(i) DISABILITY. The Executive may terminate his employment hereunder for Disability within the meaning of Section 6(a)(ii) above.

(ii) WITH GOOD REASON. Executive's employment hereunder may be terminated by Executive with Good Reason effective immediately by written notice to the Board of Directors of the Employer. For purposes of this Agreement, with "Good Reason" shall mean: (i) a failure of the Board of Directors of the Employer to elect Executive to offices with the same or substantially the same duties and responsibilities as set forth in Section 2 or to continue Executive's reporting relationship as set forth in Section 2; (ii) a material failure by the Employer to comply with the provisions of Section 3 or a material breach by the Employer of any other provision of this Agreement which has not been cured within 30 days after notice of noncompliance (specifying the nature of the noncompliance), has been given by the Executive to the Employer; (iii) a Force Out upon or following a Change-in-Control (as such terms are defined in Section 6(d) below); (iv) a material diminution of Executive's duties and responsibilities with respect to the investment activities of the Employer, or (v) the Employer's

6

requiring Executive to be based in an office located more than 50 miles from Manhattan.

(c) NOTICE OF TERMINATION. Any termination of the Executive's employment by the Employer or by the Executive (other than termination pursuant to subsection (a)(i) hereof) shall be communicated by written Notice of Termination to the other party hereto in accordance with Section 10 of this Agreement. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon and, as applicable, shall set forth in reasonable detail the fact and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated.

(d) DEFINITIONS. The following terms shall be defined as set forth below.

(i) A "Change-in-Control" shall be deemed to have occurred if:

(A) any Person, together with all "affiliates" and "associates" (as such terms are defined in Rule 12b-2 under the Securities Exchange Act of 1934 (the "Exchange Act")) of such Person, shall become the "beneficial owner" (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Employer representing 40% or more of either (A) the combined voting power of the Employer's then outstanding securities having the right to vote in an election of the Employer's Board of Directors ("Voting Securities") or (B) the then outstanding shares of all classes of stock of the Employer (in either such case other than as a result of the acquisition of securities directly from the Employer); or

(B) individuals who constitute the Employer's Board of Directors (the "Incumbent Directors") cease for any reason, including, without limitation, as a result of a tender offer, proxy contest, merger or similar transaction, to constitute at least a majority of the Employer's Board of Directors, provided that any person becoming a director of the Employer whose election or nomination for election was approved by a vote of at least a majority of the Incumbent Directors shall, for purposes of this Agreement, be considered an Incumbent Director; or

(C) the stockholders of the Employer shall approve (1) any consolidation or merger of the Employer or any subsidiary where the stockholders of the Employer, immediately prior to the consolidation or merger, would not, immediately after the consolidation or merger, beneficially own (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, shares representing in the aggregate at least 50% of the voting shares of the corporation issuing cash or

7

securities in the consolidation or merger (or of its ultimate parent corporation, if any), (2) any sale, lease, exchange or other transfer (in one transaction or a series of transactions contemplated or arranged by any party as a single plan) of all or substantially all of the assets of the Employer or (3) any plan or proposal for the liquidation or dissolution of the Employer;

Notwithstanding the foregoing, a "Change-in-Control" shall not be

deemed to have occurred for purposes of the foregoing clause (A) solely as the result of an acquisition of securities by the Employer which, by reducing the number of shares of stock or other Voting Securities outstanding, increases (x) the proportionate number of shares of stock of the Employer beneficially owned by any Person to 40% or more of the shares of stock then outstanding or (y) the proportionate voting power represented by the Voting Securities beneficially owned by any Person to 40% or more of the combined voting power of all then outstanding Voting Securities; PROVIDED, HOWEVER, that if any Person referred to in clause (x) or (y) of this sentence shall thereafter become the beneficial owner of any additional stock of the Employer or other Voting Securities (other than pursuant to a share split, stock dividend, or similar transaction), then a "Change-in-Control" shall be deemed to have occurred for purposes of the foregoing clause (A). In addition, notwithstanding the foregoing, a "Change-in-Control" shall not be deemed to have occurred if Stephen L. Green continues to serve as Chairman of the Board of Directors or the equivalent of the surviving entity of any event listed in the foregoing clause (A), (B) or (C) and no Force Out (as defined below) has occurred with respect to the Executive.

(ii) A "Force Out" shall be deemed to have occurred in the event of a Change-in-Control together with or followed by:

(A) a change in duties, responsibilities, status or positions with the Employer that does not represent a promotion from or maintaining of Executive's duties, responsibilities, status or positions as in effect immediately prior to the Change-in-Control, or any removal of Executive from or any failure to reappoint or reelect Executive to such positions, except in connection with the termination of Executive's employment for Cause, disability, retirement or death;

(B) a reduction by the Employer in Executive's Base Salary as in effect immediately prior to the Change-in-Control;

(C) the failure by the Employer to continue in effect any of the benefit plans in which Executive is participating at the time of the Change-in-Control of the Employer (unless Executive is permitted to participate in any substitute benefit plan with substantially the same terms and to the same extent and with the same rights as Executive had with respect to the

8

benefit plan that is discontinued) other than as a result of the normal expiration of any such benefit plan in accordance with its terms as in effect at the time of the Change-in-Control, or the taking of any action, or the failure to act, by the Employer which would adversely affect Executive's continued participation in any of such benefit plans on at least as favorable a basis to Executive as was the case on the date of the Change-in-Control or which would materially reduce Executive's benefits in the future under any of such benefit plans or deprive Executive of any material benefits enjoyed by Executive at the time of the Change-in-Control; PROVIDED, HOWEVER, that any such action or inaction on the part of the Employer, including any modification, cancellation or termination of any benefits plan, undertaken in order to maintain such plan in compliance with any federal, state or local law or regulation governing benefits plans, including, but not limited to, the Employment Retirement Income Security Act of 1974, shall not constitute a Force Out for the purposes of this Agreement.

(D) the Employer's requiring Executive to be based in an office located more than 50 miles from Manhattan, except for required travel relating to the Employer's business to an extent substantially consistent with the business travel obligations which Executive undertook on behalf of the Employer prior to the Change-in-Control;

(E) the failure by the Employer to obtain from any successor to the Employer an agreement to be bound by this Agreement pursuant to Section 13 hereof; or

(iii) "Person" shall have the meaning used in Sections 13(d) and 14(d) of the Exchange Act; provided however, that the term "Person" shall not include (A) Stephen L. Green or Nancy A. Peck, or (B) the Employer, any of its subsidiaries, or any trustee, fiduciary or other person or entity holding securities under any employee benefit plan of the Employer or any of its subsidiaries.

7. COMPENSATION UPON TERMINATION OR DURING DISABILITY.

(a) TERMINATION WITHOUT CAUSE OR WITH GOOD REASON. If (i) Executive is terminated without Cause pursuant to Section 6(a)(iv) above, or (ii) Executive shall terminate his employment hereunder with Good Reason pursuant to Section (6)(b)(ii) above, then the Employment Period shall terminate as of the effective date set forth in the written notice of such termination (the "Termination Date") and Executive shall be entitled to the following benefits:

(i) The Employer shall forgive the \$1,000,000 non-recourse loan provided in Section 3(b) of this Agreement (if such termination occurs before January 17, 2007) and continue to pay Executive's Base Salary (at the rate in

effect on the date of his termination) and annual performance bonus (based on the amount paid for the immediately preceding year) for the remaining term of the Employment Period after the date of Executive's termination, on the same periodic payment dates as payment would have been made to Executive had the Employment Period not been terminated; PROVIDED, HOWEVER, that if such termination occurs upon or following a Change-in-Control, the Employer shall continue to pay Executive's Base Salary (at the rate in effect on the date of his termination) and annual performance bonus (based on the highest amount paid for the three preceding years) for the remaining term of the Employment Period after the date of Executive's termination.

(ii) For the remaining term of the Employment Period, Executive shall continue to receive all benefits described in Section 3 existing on the date of termination, including, but not limited to, any bonuses or equity awards described in Section 3 of this Agreement, subject to the terms and conditions upon which such benefits may be offered. For purposes of the application of such benefits, Executive shall be treated as if he had remained in the employ of the Employer with a Base Salary at the rate in effect on the date of termination;

(iii) Any unvested shares of restricted stock granted to the Executive by the Employer shall become vested on the date of the Executive's termination, any unexercisable stock options granted to the Executive by the Employer shall become exercisable on the date of the Executive's termination, and any unexercised stock options granted to the Executive by the Employer shall remain exercisable until the earlier of (A) the date on which the term of such stock options otherwise would have expired, or (B) the second January 1 after the date of the Executive's termination;

(iv) If Executive obtains other employment, or receives any compensation, income or benefits from services rendered to any person or entity during the remaining term of Employment Period after the date of Executive's termination, the Base Salary and bonus payments due under Section 7(a)(i) will be reduced by the amount of such compensation, income, or benefits, except that in no event shall the Base Salary and bonus payments due under Section 7(a)(i) be reduced to less than the amount of such payments that would have been received by Executive over a one year period. Executive shall give prompt notice to the Employer of any such employment undertaken or services rendered by him, which notice shall include a description of the compensation, income or benefits he will receive, and the date of receipt. Executive shall also give prompt notice to the Employer of any changes in such employment or income.

(v) If in the opinion of tax counsel selected by the Executive and reasonably acceptable to the Employer, the Executive has or will receive any compensation (including without limitation as a result of the accelerated vesting of

10

equity awards) or recognize any income (whether or not pursuant to this Agreement or any plan or other arrangement of the Employer and whether or not the Employment Period or the Executive's employment with the Employer has terminated) which will constitute an "excess parachute payment" within the meaning of Section 280G(b)(1) of the Internal Revenue Code (the "Code") (or for which a tax is otherwise payable under Section 4999 of the Code or any successor provision thereto), then the Employer shall pay the Executive an additional amount (the "Additional Amount") equal to the sum of (i) all taxes payable by the Executive under Section 4999 of the Code with respect to all such excess parachute payments and any such Additional Amount, plus (ii) all federal, state and local income taxes payable by Executive with respect to any such Additional Amount. Any amounts payable pursuant to this paragraph (v) shall be paid by the Employer to the Executive within 30 days of each written request therefor made by the Executive.

(b) TERMINATION FOR CAUSE OR WITHOUT GOOD REASON. If (i) Executive is terminated for Cause pursuant to Section 6(a)(iii) above, or (ii) Executive shall voluntarily terminate his employment hereunder without Good Reason pursuant to Section 6(b)(ii) above, then the Employment Period shall terminate as of the effective date set forth in the written notice of such termination (the "Termination Date") and Executive shall be entitled to receive only his Base Salary at the rate then in effect until the Termination Date and any outstanding stock options held by Executive shall expire in accordance with the terms of the stock option plan or option agreement under which the stock options were granted.

(c) TERMINATION BY REASON OF DEATH. If Executive's employment terminates due to his death, the Employer shall pay Executive's Base Salary plus any applicable pro rata portion of the annual performance bonus described in Section 3(c) above for a period of six months from the date of his death, or such longer period as the Employer's Board of Directors may determine, to Executive's estate or to a beneficiary designated by Executive in writing prior to his death. If such death occurs during a vesting period, a pro rata portion of the unvested shares of restricted stock granted to the Executive that otherwise would have become vested upon the conclusion of such vesting period shall become vested on the date of the Executive's termination due to his death, and a pro rata portion of the unexercisable stock options granted to the Executive that otherwise would have become exercisable upon the conclusion of such vesting period shall

become exercisable on the date of the Executive's termination due to such death. Furthermore, upon such death, any unexercised stock options granted to the Executive shall remain exercisable until the earlier of (A) the date on which the term of such stock options otherwise would have expired, or (B) the second January 1 after the date of the Executive's termination due to his death.

(d) TERMINATION BY REASON OF DISABILITY. In the event that Executive's employment terminates due to his disability as defined in Section 6(a)(ii) above,

11

Executive shall be entitled to be paid his Base Salary plus any applicable pro rata portion of the annual performance bonus described in Section 3(c) above for a period of six months from the date of such termination, or such longer period as the Employer's Board of Directors may determine. If such disability occurs during a vesting period, a pro rata portion of the unvested shares of restricted stock granted to the Executive that otherwise would have become vested upon the conclusion of such vesting period shall become vested on the date of the Executive's termination due to his disability, and a pro rata portion of the unexercisable stock options granted to the Executive that otherwise would have become exercisable upon the conclusion of such vesting period shall become exercisable on the date of the Executive's termination due to such disability. Furthermore, upon such disability, any unexercised stock options granted to the Executive shall remain exercisable until the earlier of (A) the date on which the term of such stock options otherwise would have expired, or (B) the second January 1 after the date of the Executive's termination due to his disability.

(e) ARBITRATION IN THE EVENT OF A DISPUTE REGARDING THE NATURE OF TERMINATION. In the event that the Executive's employment is terminated by the Employer for Cause or by Executive for Good Reason, and either party contends that such Cause or Good Reason did not exist, the parties agree to submit such claim to arbitration before the American Arbitration Association ("AAA"), and Executive and Employer hereby agree to submit to any such dispute to arbitration pursuant to the terms of this Section 7(c). In such a proceeding, the only issue before the arbitrator will be whether Executive's employment was in fact terminated for Cause or for Good Reason, as the case may be. If the arbitrator determines that Executive's employment was terminated by the Employer without Cause or was terminated by Executive for Good Reason, the only remedy that the arbitrator may award is an amount equal to the severance payments specified in Section 7, the costs of arbitration, and Executive's attorneys' fees. If the arbitrator finds that Executive's employment was terminated by the Employer for Cause or by the Executive without Good Reason, the arbitrator will be without authority to award Executive anything, and the parties will each be responsible for their own attorneys' fees, and the costs of arbitration will be paid 50% by Executive and 50% by the Employer.

8. CONFIDENTIALLY; PROHIBITED ACTIVITIES. The Executive and the Employer recognize that due to the nature of his employment and relationship with the Employer, the Executive has access to and develops confidential business information, proprietary information, and trade secrets relating to the business and operations of the Employer. The Executive acknowledges that such information is valuable to the business of the Employer, and that disclosure to, or use for the benefit of, any person or entity other than the Employer, would cause irreparable damage to the Employer. The Executive further acknowledges that his duties for the Employer include the duty to develop and maintain client, customer, employee, and other business relationships on behalf of the Employer; and that access to and development of those close business relationships for the Employer render his services special, unique and extraordinary. In recognition that the good will and business relationships described herein are valuable to the Employer, and that loss

12

of or damage to those relationships would destroy or diminish the value of the Employer, the Executive agrees as follows:

(a) CONFIDENTIALITY. During the term of this Agreement (including any renewals), and at all times thereafter, the Executive shall maintain the confidentiality of all confidential or proprietary information of the Employer ("Confidential Information"), and, except in furtherance of the business of the Employer or as specifically required by law or by court order, he shall not directly or indirectly disclose any such information to any person or entity; nor shall he use Confidential Information for any purpose except for the benefit of the Employer. For purposes of the Agreement, "Confidential Information" includes, without limitation: client or customer lists, identities, contacts, business and financial information (excluding those of Executive prior to employment with Employer); investment strategies; pricing information or policies, fees or commission arrangements of the Employer; marketing plans, projections, presentations or strategies of the Employer; financial and budget information of the Employer; new personnel acquisition plans; and all other business related information which has not been publicly disclosed by the Employer. This restriction shall apply regardless of whether such Confidential Information is in written, graphic, recorded, photographic, data or any machine readable form or is orally conveyed to, or memorized by, the Executive.

(b) PROHIBITED ACTIVITIES. Because Executive's services to the Employer are essential and because Executive has access to the Employer's Confidential Information, Executive covenants and agrees that:

(i) during the Employment Period, Executive will not, in any

location, without the prior written consent of the Chairman of the Board of Directors of the Employer, directly or indirectly (individually, or through or on behalf of another entity as owner, partner, agent, employee, consultant, or in any other capacity), engage, participate or assist, as an owner, partner, employee, consultant, director, officer, trustee or agent, in any business that engages or attempts to engage, directly or indirectly, in any aspect of the commercial real estate business (including, without limitation, ownership, management, technology, parking, leasing and/or financing) (all such direct or indirect activity or involvement described in this Section 8(b)(i), the "Prohibited Activities"); and

(ii) in the event of a Change in Control during the Employment Period, the prohibitions set forth in Section 8(b)(i) above shall cease to apply, and in the alternative Executive will not, during the Employment Period, without the prior written consent of the Chairman of the Board of Directors of the Employer, engage in any Prohibited Activities in any location in which the Employer is actively engaged in that business; and

(iii) in the event that this Agreement is terminated (A) by the Employer for Cause or (B) by the Executive for any reason other than death, disability, Good Reason or the expiration of the term of the Agreement, Executive will not,

13

during the Noncompetition Period, without the prior written consent of the Chairman of the Board of Directors of the Employer, engage in any Prohibited Activities in any location; and

(iv) in the event that this Agreement is terminated for any of the reasons set forth in Section 8(b)(iii) above, and a Change in Control either has occurred prior to such termination or occurs subsequent to such termination, the prohibitions set forth in Section 8(b)(iii) above shall not apply (or shall cease to apply), and in the alternative Executive will not, during the Noncompetition Period, without the prior written consent of the Chairman of the Board of Directors of the Employer, engage in any Prohibited Activities in any location in which the Employer is actively engaged in that business; and

(v) during the Employment Period, and during the two-year period following the termination of the Executive by either party for any reason (including the expiration of the term of the Agreement), Executive will not, without the prior written consent of the Chairman of the Board of Directors of the Employer, directly or indirectly (individually, or through or on behalf of another entity as owner, partner, agent, employee, consultant, or in any other capacity), solicit, encourage, or engage in any activity to induce any Employee of the Employer to terminate employment with the Employer, or to become employed by, or to enter into a business relationship with, any other person or entity. For purposes of this subsection, the term Employee means any individual who is an employee of or consultant to the Employer (or any affiliate) during the six-month period prior to Executive's last day of employment.

(c) NONCOMPETITION PERIOD. For purposes of this Section 8, the Noncompetition Period shall mean the period commencing on the date of termination of Executive's employment under this Agreement and ending on the later of: (i) the first anniversary of the date of termination of Executive's employment under this Agreement; or (ii) the earlier of (A) the fifth Anniversary of the Original Agreement, or (B) the second anniversary of the date of termination of Executive's employment under this Agreement.

(d) PASSIVE INVESTMENTS. During the term of Employment Period, notwithstanding anything contained herein to the contrary, Executive is not prohibited by this Section 8 from making investments in any entity that engages, directly or indirectly, in the acquisition, development, construction, operation, management or leasing of office real estate properties, regardless of where they are located if Executive's aggregate direct cash equity investment in such entity constitutes less than fifteen percent (15%) of the equity ownership of such entity.

(e) EMPLOYER PROPERTY. The Executive acknowledges that all originals and copies of materials, records and documents generated by him or coming into his possession during his employment by the Employer are the sole property of the Employer

14

("Employer Property"). During his employment, and at all times thereafter, the Executive shall not remove, or cause to be removed, from the premises of the Employer, copies of any record, file, memorandum, document, computer related information or equipment, or any other item relating to the business of the Employer, except in furtherance of his duties under the Agreement. When the Executive terminates his employment with the Employer, or upon request of the Employer at any time, the Executive shall promptly deliver to the Employer all originals and copies of Employer Property in his possession or control and shall not retain any originals or copies in any form.

(f) NO DISPARAGEMENT. Following termination of the Executive's employment for any reason, the Executive shall not disclose or cause to be disclosed any negative, adverse or derogatory comments or information about (i) the Employer and its parent, affiliates or subsidiaries, if any; (ii)

any product or service provided by the Employer and its parent, affiliates or subsidiaries, if any; (iii) the Employer's and its parent's, affiliates' or subsidiaries' prospects for the future. Following termination of the Executive's employment for any reason other than for Cause, the Employer shall not disclose or cause to be disclosed any negative, adverse or derogatory comments or information about the Executive.

(g) REMEDIES. The Executive declares that the foregoing limitations in Sections 8(a) through 8(f) above are reasonable and necessary for the adequate protection of the business and the goodwill of the Employer. In any restriction contained in this Section 8 shall be deemed to be invalid, illegal or unenforceable by reason of the extent, duration or scope thereof, or otherwise, then the court making such determination shall have the right to reduce such extent, duration, scope, or other provisions hereof to make the restriction consistent with applicable law, and in its reduced form such restriction shall then be enforceable in the manner contemplated hereby. In the event that the Executive breaches any of the promises contained in this Section 8, the Executive acknowledges that the Employer's remedy at law for damages will be inadequate and that the Employer will be entitled to specific performance, a temporary restraining order or preliminary injunction to prevent the Executive's prospective or continuing breach and to maintain the status quo. The existence of this right to injunctive relief, or other equitable relief, or the Employer's exercise of any of these rights, shall not limit any other rights or remedies the Employer may have in law or in equity, including, without limitation, the right to arbitration contained in Section 7(e) hereof and the right to compensatory and monetary damages. In the event that a final non-appealable judgment is entered in favor of one of the parties, that party shall be reimbursed by the other party for all costs and attorneys' fees incurred by such party in such action. Executive hereby agrees to waive his right to a jury trial with respect to any action commenced to enforce the terms of this Agreement.

(h) TRANSITION. Regardless of the reason for his departure from the Employer, the Executive agrees that at Employer's sole costs and expense, for a period of not more

15

than thirty (30) days after termination of Executive, he shall take all steps reasonably requested by the Employer to effect a successful transition of client and customer relationships to the person or persons designated by the Employer.

(i) COOPERATION WITH RESPECT TO LITIGATION. During the Employment period and at all times thereafter, Executive agrees to give prompt written notice to the Employer of any claim or injury relating to the Employer and to cooperate fully, in good faith and to the best of his ability with the Employer in connection with any and all pending, potential or future claims, investigations or actions which directly or indirectly relate to any action, event or activity about which Executive may have knowledge in connection with or as a result of his employment by the Employer hereinunder. Such cooperation will include all assistance that the Employer, its counsel or its representatives may reasonably request, including reviewing documents, meeting with counsel, providing factual information and material, and appearing or testifying as a witness; provided, however, that the Employer will reimburse Executive for all reasonable expenses, including travel, lodging and meals, incurred by him in fulfilling his obligations under this Section 8(i) and, except as may be required by law or by court order, should Executive then be employed by an entity other than the Employer, such cooperation will not materially interfere with Executive's then current employment.

(j) SURVIVAL. The provisions of this Section 8(a) shall survive termination of the Executive's employment and those of Section 8(b) shall survive for the periods specified therein. The covenants contained in Section 8 shall be construed as independent of any of other provisions contained in this Agreement and shall be enforceable regardless of whether the Executive has a claim against the Employer under the Agreement or otherwise.

9. CONFLICTING AGREEMENTS. Executive hereby represents and warrants that the execution of this Agreement and the performance of his obligations hereunder will not breach or be in conflict with any other agreement to which he is a party or is bound, and that he is not now subject to any covenants against competition or similar covenants which would affect the performance of his obligations hereunder.

10. NOTICES. All notices or other communications required or permitted to be given hereunder shall be in writing and shall be delivered by hand and or sent by prepaid telex, cable or other electronic devices or sent, postage prepaid, by registered or certified mail or telecopy or overnight courier service and shall be deemed given when so delivered by hand, telexed, cabled or telecopied, or if mailed, three days after mailing (one business day in the case of express mail or overnight courier service), as follows:

(a) if to the Executive:

Marc Holliday
3 Murray Hill Road
Scarsdale, New York 10583

16

(b) if to the Employer:

or such other address as either party may from time to time specify by written notice to the other party hereto.

11. AMENDMENTS. No amendment, modification or waive in respect of this Agreement shall be effective unless it shall be in writing and signed by the party against whom such amendment, modification or waive is sought.

12. SEVERABILITY. If any provision of this Agreement (or any portion thereof) or the application of any such provision (or any portion thereof) to any person or circumstances shall be held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision hereof (or the remaining portion hereof) or the application of such provision to any other persons or circumstances.

13. SUCCESSORS. Neither this Agreement nor any rights hereunder may be assigned or hypothecated by the Executive. This Agreement may be assigned by the Employer and shall be binding upon, and insure to the benefit of, the Employer's successors and assigns.

14. COUNTERPARTS. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more such counterparts have been signed by each of the parties and delivered to the other party.

15. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to agreements made and to be performed entirely within such State, without regard to the conflicts of law principles of such State.

16. CHOICE OF VENUE. Executive agrees to submit to the jurisdiction of the United States District Court for the Southern District of New York or the Supreme Court of the State of New York, New York County, for the purpose of any action to enforce any of the terms of this Agreement.

17. ENTIRE AGREEMENT. This Agreement contains the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings relating to such subject matter. The parties hereto shall not be liable or bound to any other party in any manner by any representations, warranties or covenants relating to such subject matter except as specifically set forth herein.

17

18. PARAGRAPH HEADINGS. Paragraph headings used in this Agreement are included for convenience of reference only and will not affect the meaning of any provision of this agreement.

19. BOARD APPROVAL. Employer represents that its Board of Directors has approved the economic terms of this Agreement.

18

IN WITNESS WHEREOF, this Agreement is entered into as of the date and year first above written.

January 17, 2001

SL GREEN REALTY CORP.

By: /s/ Stephen L. Green

Name: Stephen L. Green
Title: Chairman

/s/ Marc Holliday

Marc Holliday

19

EMPLOYMENT AND NONCOMPETITION AGREEMENT

This EMPLOYMENT AND NONCOMPETITION AGREEMENT ("Agreement") is made as of the 26 day of February, 2001 between Michael Reid ("Executive") and SL Green Realty Corp., a Maryland corporation with its principal place of business at 420 Lexington Avenue, New York, New York 10170 (the "Employer").

1. TERM. The term of this Agreement shall commence on the date first above written and, unless earlier terminated as provided in Section 6 below, shall terminate on the third anniversary of the date of this Agreement (the "Original Term"); PROVIDED, HOWEVER, that Section 8 hereof shall survive the termination of this Agreement as provided therein. The Original Term may be extended for such period or periods, if any, as may be mutually agreed to in writing by Executive and the Employer (each a "Renewal Term"). If either party intends not to extend the Original Term, such party will give the other party at least six (6) months' written notice of such intention. If either party gives such notice with less than six(6) months remaining in the Original Term, the term of this Agreement shall be extended until the date which is six (6) months after the date on which the notice is given. The period of Executive's employment hereunder consisting of the Original Term and all Renewal Terms, if any, is herein referred to as the "Employment Period" and an anniversary of the date of this Agreement is herein referred to as an "Anniversary."

2. EMPLOYMENT AND DUTIES.

(a) DUTIES. During the Employment Period, Executive shall be employed in the business of the Employer and its affiliates. Executive shall serve the Employer as a senior corporate executive and, effective no later than March 31, 2001, shall have the title of Chief Operating Officer of the Employer. Executive will report to the Chief Executive Officer of the Employer and, from time to time, as directed by the Chief Executive Officer, to the President of the Employer. The Executive shall be principally responsible for the operations and the capital markets activities of the Employer and shall provide assistance to Employer's Chief Executive Officer in connection with such activities. Executive's duties and authority shall be as further set forth in the By-laws of the Employer and as otherwise established from time to time by the Chief Executive Officer of the Employer, but in all events such duties shall be commensurate with his position as Chief Operating Officer of the Employer.

(b) BUSINESS TIME AND EFFORTS. Executive agrees to his employment as described in this Section 2 and agrees to devote substantially all of his business time and efforts to the performance of his duties under this Agreement, except as otherwise approved by the Board of Directors of the Employer; PROVIDED, HOWEVER, that nothing herein shall be interpreted to preclude Executive from (i) participating as an officer or director of, or advisor to, any charitable or other tax exempt organization or otherwise engaging in charitable, fraternal or trade group activities; (ii) investing his assets as a passive investor in other entities or business ventures, provided that he performs no

management or similar role with respect to such entities or ventures and such investment does not violate Section 8 hereof; and/or serving as a member of the Board of Directors of a for-profit corporation with the approval of the Chief Executive Officer of the Company.

(c) TRAVEL. In performing his duties hereunder, Executive shall be available for all reasonable travel as the needs of the Employer's business may require. Executive shall be based within 25 miles of Manhattan.

3. COMPENSATION AND BENEFITS. In consideration of Executive's services hereunder, the Employer shall compensate Executive as provided in this Section 3.

(a) BASE SALARY. The Employer shall pay Executive an aggregate minimum annual salary at the rate of \$350,000 per annum during the Employment Period ("Base Salary"), subject to applicable tax withholding. Base Salary shall be payable monthly in accordance with the Employer's normal business practices. Solely for the purpose of determining whether Executive's Base Salary payable under this Section 3(a) should be increased, the Base Salary shall be subject to review by the Employer's Board of Directors or Compensation Committee at least once annually.

(b) BONUSES. During the Employment Period, Executive shall receive such discretionary annual bonuses as the Employer's Board of Directors, in its sole discretion, may deem appropriate to reward Executive for job performance; PROVIDED, HOWEVER, that Executive's annual performance bonus shall not be less than \$150,000. Each of the bonuses described in this Section 3(b) shall be subject to applicable tax withholdings.

(c) STOCK OPTIONS. During the Employment Period, in the sole discretion of the Employer's Board of Directors or a committee thereof, Executive shall be eligible to participate in the Employer's then current Stock Option and Incentive Plan (the "Plan"), which authorizes the grant of stock options, stock awards and the making of loans to acquire the Employer's common stock ("Common Stock"). In addition, it is specifically agreed that effective as of the date that this Agreement is executed by Employer and Executive, Executive shall be granted options to purchase 50,000 shares of the Common Stock (the "Options"). The Options may be granted under the Plan or outside of the Plan. The exercise price per share of the Options shall be equal to the fair market value per share of the Common Stock on the date of the execution of this Agreement by the Employer

and Executive. The Options shall have a term of ten years, and shall become vested and nonforfeitable as to 20% of the shares covered thereby on each of the first five Anniversaries, subject to the Executive remaining employed by the Employer except as otherwise provided herein. The Options shall be exercisable only in accordance with the terms and conditions of the Plan and in accordance with applicable federal, state and local laws and regulations; however, if there is any conflict between this Agreement and the Plan, this Agreement shall govern.

2

(d) EQUITY AWARDS. Effective as of the date that this Agreement is executed by the Employer and Executive, Executive shall be granted 30,000 restricted shares of Common Stock. Such grant may be granted under the Plan or outside of the Plan. The grant shall become vested and nonforfeitable as to 33 1/3% of such shares on the first Anniversary, 33 1/3% of such shares on the second Anniversary and 33 1/3% of such shares on the third Anniversary in each case subject to (i) the Employer achieving either a 10% increase in funds from operations (on a per share basis) or a 15% total return (including all dividends and stock appreciation) to shareholders during the last fiscal year completed before the applicable vesting date, and (ii) the Executive remaining employed by the Employer except as otherwise provided herein. Furthermore, (i) if the Employer achieves either an increase in funds from operations (on a per share basis) of at least 8% (but less than 9%) or a total return to shareholders of at least 13% (but less than 14%) during the last fiscal year completed before an applicable vesting date, then 80% of the restricted shares that otherwise would have become vested on such vesting date shall become vested, (ii) if the Employer achieves either an increase in funds from operations (on a per share basis) of at least 9% (but less than 10%) or a total return to shareholders of at least 14% (but less than 15%) during the last fiscal year completed before the applicable vesting date, then 90% of the restricted shares that otherwise would have become vested on such vesting date shall become vested, and (iii) if the Employer achieves a total return to shareholders in the top one-third of a peer group of companies (to be determined for such year by the Compensation Committee of the Employer's Board of Directors) during the last fiscal year completed before the applicable vesting date, then 100% of the restricted shares that otherwise would have become vested on such vesting date shall become vested. If necessary to reach a vesting threshold for any period, the Compensation Committee of the Employer's Board of Directors shall determine such amounts by averaging cumulative increases and returns on a look-back or look-forward basis. The Employer shall pay Executive an additional cash amount as a tax gross-up upon each vesting date equal to 40% of the value of the shares included in Executive's taxable income on such date. Executive will receive the full cash dividends attributable to all nonforfeited shares of restricted stock, regardless of whether such shares have become vested on the record date for such dividends.

(e) EXPENSES. Executive shall be reimbursed for all reasonable business related expenses incurred by Executive at the request of or on behalf of the Employer, provided that such expenses are incurred and accounted for in accordance with the policies and procedures established by the Employer.

(f) MEDICAL INSURANCE. During the Employment Period, Executive and Executive's immediate family shall be entitled to participate in such medical benefit plan as the Employer shall maintain from time to time for the benefit of senior executive officers of the Employer and their families, on the terms and subject to the conditions set forth in such plan. Nothing in this section shall limit the Employer's right to change or modify or terminate any benefit plan or program as it sees fit from time to time in the normal course of business so long as it does so for all senior executives of the Employer.

3

(g) VACATIONS. Executive shall be entitled to reasonable paid vacations in accordance with the then regular procedures of the Employer governing senior executive officers.

(h) OTHER BENEFITS. During the Employment Period, the Employer shall provide to Executive such other benefits, including disability insurance, sick leave and the right to participate in such retirement or pension plans, as are made generally available to senior executive officers and employees of the Employer from time to time, as well as the services of an exclusive personal assistant.

4. INDEMNIFICATION AND LIABILITY INSURANCE. Executive hereby warrants that his execution of this Agreement, and performance of duties hereunder, does not constitute the breach of any other executed contract to which Executive may be a party, and does not constitute the breach of any restrictive covenant by which Executive may be bound. The Employer agrees to indemnify Executive to the extent permitted by applicable law from and against any and all losses, damages, claims, liabilities and expenses for which such indemnified party has not otherwise been reimbursed (including the costs and expenses of legal counsel retained by the Employer to defend the Executive and judgments, fines and amounts paid in settlement actually and reasonably incurred by or imposed on such indemnified party) with respect to any actions commenced against Executive either with regard to his entering this Agreement with the Employer or in his capacity as an officer or director, or former officer or director, of the Employer or any affiliate thereof for which he may serve in such capacity. The Employer also agrees to secure and maintain officers and directors liability insurance providing coverage for Executive.

5. EMPLOYER'S POLICIES. Executive agrees to observe and comply with the

reasonable rules and regulations of the Employer as adopted by its Board of Directors from time to time regarding the performance of his duties and to carry out and perform orders, directions and policies communicated to him from time to time by the Employer's Board of Directors.

6. TERMINATION. The Executive's employment hereunder may be terminated under the following circumstances:

(a) Termination by the Employer.

(i) DEATH. The Executive's employment hereunder shall terminate upon his death.

(ii) DISABILITY. If, as a result of the Executive's incapacity due to physical or mental illness or disability, the Executive shall have been incapable of performing his duties hereunder even with a reasonable accommodation on a full-time basis for the entire period of four consecutive months or any 120 days in a 180-day period, and within 30 days after written Notice of Termination (as defined in Section 6(c)) is given he shall not have returned to the performance of

4

his duties hereunder on a full-time basis, the Employer may terminate Executive's employment hereunder.

(iii) CAUSE. The Employer may terminate Executive's employment hereunder for Cause. For purposes of the Agreement, "Cause" shall mean that: (i) Executive engaged in conduct which is a felony under the laws of the United States or any state or political subdivision thereof; (ii) Executive engaged in conduct constituting a material breach of fiduciary duty, gross negligence or willful and material misconduct relating to the Employer, material fraud or willful and material misrepresentation relating to the business of the Employer; (iii) Executive materially breached his obligations or covenants under Section 8(a) of this Agreement; or (iv) Executive repeatedly failed to competently perform his duties after receiving notice from the Employer specifically identifying the manner in which Executive has failed to competently perform and being given sufficient time to correct his incompetent performance (it being understood that, for this purpose, the manner and level of Executive's performance shall not be determined based on the financial performance of the Employer). Clause (iv) of this Section shall be null and void after the first eighteen (18) months of this Agreement.

(iv) WITHOUT CAUSE. Executive's employment hereunder may be terminated by the Employer at any time with or without Cause (as defined in Section 6(a)(iii) above), by a majority vote of all of the members of the Board of Directors of the Employer upon written notice to Executive, subject only to the severance provisions specifically set forth in Section 7.

(b) Termination by the Executive.

(i) DISABILITY. The Executive may terminate his employment hereunder for Disability within the meaning of Section 6(a)(ii) above.

(ii) WITH GOOD REASON. Executive's employment hereunder may be terminated by Executive with Good Reason effective immediately by written notice to the Board of Directors of the Employer. For purposes of this Agreement, with "Good Reason" shall mean: (i) a failure of the Board of Directors of the Employer to elect Executive to offices with the same or substantially the same duties and responsibilities as set forth in Section 2 or to continue Executive's reporting relationship as set forth in Section 2; (ii) a failure by the Employer to comply with the provisions of Section 3; (iii) a material breach by the Employer of any other provision of this Agreement which has not been cured within 30 days after notice of noncompliance (specifying the nature of the noncompliance), has been given by the Executive to the Employer; or (iv) a Force Out upon or following a Change-in-Control (as such terms are defined in Section 6(d) below).

5

(iii) NOTICE OF TERMINATION. Any termination of the Executive's employment by the Employer or by the Executive (other than termination pursuant to subsection (a)(i) hereof) shall be communicated by written Notice of Termination to the other party hereto in accordance with Section 10 of this Agreement. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon and, as applicable, shall set forth in reasonable detail the fact and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated.

(c) DEFINITIONS. The following terms shall be defined as set forth below.

(i) A "Change-in-Control" shall be deemed to have occurred if:

(A) any Person, together with all "affiliates" and "associates" (as such terms are defined in Rule 12b-2 under the Securities Exchange Act of 1934 (the "Exchange Act")) of such Person, shall become the "beneficial owner" (as such term is defined in Rule 13d-3 under the Exchange Act), directly or

indirectly, of securities of the Employer representing 40% or more of either (A) the combined voting power of the Employer's then outstanding securities having the right to vote in an election of the Employer's Board of Directors ("Voting Securities") or (B) the then outstanding shares of all classes of stock of the Employer (in either such case other than as a result of the acquisition of securities directly from the Employer); or

(B) individuals who constitute the Employer's Board of Directors (the "Incumbent Directors") cease for any reason, including, without limitation, as a result of a tender offer, proxy contest, merger or similar transaction, to constitute at least a majority of the Employer's Board of Directors, provided that any person becoming a director of the Employer whose election or nomination for election was approved by a vote of at least a majority of the Incumbent Directors shall, for purposes of this Agreement, be considered an Incumbent Director; or

(C) the stockholders of the Employer shall approve (1) any consolidation or merger of the Employer or any subsidiary where the stockholders of the Employer, immediately prior to the consolidation or merger, would not, immediately after the consolidation or merger, beneficially own (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, shares representing in the aggregate at least 50% of the voting shares of the corporation issuing cash or securities in the consolidation or merger (or of its ultimate parent corporation, if any), (2) any sale, lease, exchange or other transfer (in one transaction or a series of transactions contemplated or arranged by any

6

party as a single plan) of all or substantially all of the assets of the Employer or (3) any plan or proposal for the liquidation or dissolution of the Employer;

Notwithstanding the foregoing, a "Change-in-Control" shall not be deemed to have occurred for purposes of the foregoing clause (A) solely as the result of an acquisition of securities by the Employer which, by reducing the number of shares of stock or other Voting Securities outstanding, increases (x) the proportionate number of shares of stock of the Employer beneficially owned by any Person to 40% or more of the shares of stock then outstanding or (y) the proportionate voting power represented by the Voting Securities beneficially owned by any Person to 40% or more of the combined voting power of all then outstanding Voting Securities; PROVIDED, HOWEVER, that if any Person referred to in clause (x) or (y) of this sentence shall thereafter become the beneficial owner of any additional stock of the Employer or other Voting Securities (other than pursuant to a share split, stock dividend, or similar transaction), then a "Change-in-Control" shall be deemed to have occurred for purposes of the foregoing clause (A). In addition, notwithstanding the foregoing, a "Change-in-Control" shall not be deemed to have occurred if Stephen L. Green continues to serve as Chairman of the Board of Directors or the equivalent of the surviving entity of any event listed in the foregoing clause (A), (B) or (C) and no Force Out (as defined below) has occurred with respect to the Executive.

(ii) A "Force Out" shall be deemed to have occurred in the event of a Change-in-Control together with or followed by:

(A) a change in duties, responsibilities, status or positions with the Employer that does not represent a promotion from or maintaining of Executive's duties, responsibilities, status or positions as in effect immediately prior to the Change-in-Control, or any removal of Executive from or any failure to reappoint or reelect Executive to such positions, except in connection with the termination of Executive's employment for Cause, disability, retirement or death;

(B) a reduction by the Employer in Executive's Base Salary or bonus compensation as in effect immediately prior to the Change-in-Control;

(C) the failure by the Employer to continue in effect any of the benefit plans including, but not limited to stock option and equity awards, in which Executive is participating at the time of the Change-in-Control of the Employer (unless Executive is permitted to participate in any substitute benefit plan with substantially the same terms and to the same extent and with the same rights as Executive had with respect to the benefit plan that is discontinued) other than as a result of the normal

7

expiration of any such benefit plan in accordance with its terms as in effect at the time of the Change-in-Control, or the taking of any action, or the failure to act, by the Employer which would adversely affect Executive's continued participation in any of such benefit plans on at least as favorable a basis to Executive as was the case on the date of the Change-in-Control or which would materially reduce Executive's benefits in the future under any of such benefit plans or deprive Executive of any material benefits enjoyed by Executive at the time of the Change-in-Control; PROVIDED, HOWEVER, that any such action or

inaction on the part of the Employer, including any modification, cancellation or termination of any benefits plan, undertaken in order to maintain such plan in compliance with any federal, state or local law or regulation governing benefits plans, including, but not limited to, the Employment Retirement Income Security Act of 1974, shall not constitute a Force Out for the purposes of this Agreement.

(D) the Employer's requiring Executive to be based in an office located more than 25 miles from Manhattan, except for required travel relating to the Employer's business to an extent substantially consistent with the business travel obligations which Executive undertook on behalf of the Employer prior to the Change-in-Control;

(E) the failure by the Employer to obtain from any successor to the Employer an agreement to be bound by this Agreement pursuant to Section 13 hereof; or

(F) during the first eighteen months of this Agreement, the termination, for whatever reason, of Stephen L. Green's service as Chairman of the Board of Directors of the Employer.

(iii) "Person" shall have the meaning used in Sections 13(d) and 14(d) of the Exchange Act; provided however, that the term "Person" shall not include (A) Stephen L. Green or Nancy A. Peck, or (B) the Employer, any of its subsidiaries, or any trustee, fiduciary or other person or entity holding securities under any employee benefit plan of the Employer or any of its subsidiaries.

7. COMPENSATION UPON TERMINATION OR DURING DISABILITY.

(a) TERMINATION WITHOUT CAUSE OR WITH GOOD REASON. If (i) Executive is terminated without Cause pursuant to Section 6(a)(iv) above, or (ii) Executive shall terminate his employment hereunder with Good Reason pursuant to Section (6)(b)(ii) above, then the Employment Period shall terminate as of the effective date set forth in the written notice of such termination (the "Termination Date") and Executive shall be entitled to the following benefits:

8

(i) The Employer shall continue to pay Executive's Base Salary (at the rate in effect on the date of his termination) and annual performance bonus (based on the amount paid for the immediately preceding year or, if the termination takes place prior to a bonus having been previously so paid, the sum of \$150,000.00) for the remaining term of the Employment Period after the date of Executive's termination, on the same periodic payment dates as payment would have been made to Executive had the Employment Period not been terminated for the remaining term of the Employment Period after the date of Executive's termination; PROVIDED, HOWEVER, that if such termination occurs upon or following a Change-in-Control, the Employer shall continue to pay Executive's Base Salary (at the rate in effect on the date of his termination) and annual performance bonus (based on the highest amount paid for the three preceding years or, if the termination takes place prior to a bonus having been previously so paid, the sum of \$150,000) for the remaining term of the Employment Period after the date of Executive's termination. It is expressly agreed that the Executive shall receive a bonus for each remaining year of this Agreement and that the bonus will be paid in a lump sum within thirty (30) days after the Executive's termination.

(ii) For the remaining term of the Employment Period, Executive shall continue to receive all benefits described in Section 3 existing on the date of termination, including, but not limited to, any bonuses or equity awards described in Section 3 of this Agreement, subject to the terms and conditions upon which such benefits may be offered. For purposes of the application of such benefits, Executive shall be treated as if he had remained in the employ of the Employer with a Base Salary at the rate in effect on the date of termination;

(iii) Any unvested shares of restricted stock granted to the Executive by the Employer shall become vested on the date of the Executive's termination, any unexercisable stock options granted to the Executive by the Employer shall become exercisable on the date of the Executive's termination, and any unexercised stock options granted to the Executive by the Employer shall remain exercisable until the earlier of (A) the date on which the term of such stock options otherwise would have expired, or (B) the second January 1 after the date of the Executive's termination;

(iv) If Executive obtains other employment, or receives any wages for services rendered to any person or entity during the remaining term of Employment Period after the date of Executive's termination, the payments due under Section 7(a)(i) will be reduced by the amount of such wages, except that in no event shall the payment due under Section 7(a)(i) be reduced to less than the amount of such payments that would have been received by Executive over a twelve-month period. Executive shall give prompt notice to the Employer of any such employment undertaken or services rendered by him, which notice shall include a description of the wages he will receive, the date of receipt, and a copy

9

of each relevant agreement or contract. Executive shall also give prompt notice to the Employer of any changes in such employment or wages.

(v) If in the opinion of tax counsel selected by the Executive and reasonably acceptable to the Employer, the Executive has or will receive any compensation (including without limitation as a result of the accelerated vesting of equity awards) or recognize any income (whether or not pursuant to this Agreement or any plan or other arrangement of the Employer and whether or not the Employment Period or the Executive's employment with the Employer has terminated) which will constitute an "excess parachute payment" within the meaning of Section 280G(b)(1) of the Internal Revenue Code (the "Code") (or for which a tax is otherwise payable under Section 4999 of the Code or any successor provision thereto), then the Employer shall pay the Executive an additional amount (the "Additional Amount") equal to the sum of (i) all taxes payable by the Executive under Section 4999 of the Code with respect to all such excess parachute payments and any such Additional Amount, plus (ii) all federal, state and local income taxes payable by Executive with respect to any such Additional Amount. Any amounts payable pursuant to this paragraph (v) shall be paid by the Employer to the Executive within 30 days of each written request therefor made by the Executive.

(b) TERMINATION FOR CAUSE OR WITHOUT GOOD REASON. If (i) Executive is terminated for Cause pursuant to Section 6(a)(iii)(i-iii) above, or (ii) Executive shall voluntarily terminate his employment hereunder without Good Reason pursuant to Section 6(b)(ii) above, then the Employment Period shall terminate as of the effective date set forth in the written notice of such termination (the "Termination Date") and Executive shall be entitled to receive only his Base Salary at the rate then in effect until the Termination Date and any outstanding stock options held by Executive shall expire in accordance with the terms of the stock option plan or option agreement under which the stock options were granted.

(i) If Executive is terminated for Cause pursuant to Section 6(a)(iii)(iv) above during the first eighteen months of this Agreement, the Employer shall pay within thirty days after the termination, an amount equal to Executive's annual Base Salary (at the rate in effect on the date of his termination) and annual performance bonus (based on the amount paid in the preceding year or, if the termination takes place prior to a bonus having been previously paid, the sum of \$150,000.00). Further (i) any unexercised stock options shall remain exercisable until the earlier of (A) the date on which the term of such stock options otherwise would have expired or (B) the second January 1 after the date of the Executive's termination; and (ii) any unvested stock options shall vest and any restricted shares shall vest just as if the Executive were employed through his next anniversary and without regard to the performance requirements set forth in Section 3(d) of this Agreement.

10

(ii) If in the opinion of tax counsel selected by the Executive and reasonably acceptable to the Employer, the Executive has or will receive any compensation (including without limitation as a result of the accelerated vesting of equity awards) or recognize any income (whether or not pursuant to this Agreement or any plan or other arrangement of the Employer and whether or not the Employment Period or the Executive's employment with the Employer has terminated) which will constitute an "excess parachute payment" within the meaning of Section 280(G)(b)(1) of the Internal Revenue Code (the "Code") (or for which a tax is otherwise payable under Section 4999 of the Code or any successor provision thereto), then the Employer shall pay the Executive an additional amount (the "Additional Amount") equal to the sum of (i) all taxes payable by the Executive under Section 4999 of the Code with respect to all such excess parachute payments and any such Additional Amount, plus (ii) all federal, state and local income taxes payable by Executive with respect to any such Additional Amount. Any amounts payable pursuant to this paragraph shall be paid by the Employer to the Executive within thirty days of each written request therefor made by the Executive.

(c) TERMINATION BY REASON OF DEATH. If Executive's employment terminates due to his death, the Employer shall pay Executive's Base Salary plus any applicable pro rata portion of the annual performance bonus described in Section 3(c) above for a period of six months from the date of his death, or such longer period as the Employer's Board of Directors may determine, to Executive's estate or to a beneficiary designated by Executive in writing prior to his death. If such death occurs during a vesting period, a pro rata portion of the unvested shares of restricted stock granted to the Executive that otherwise would have become vested upon the conclusion of such vesting period shall become vested on the date of the Executive's termination due to his death, and a pro rata portion of the unexercisable stock options granted to the Executive that otherwise would have become exercisable upon the conclusion of such vesting period shall become exercisable on the date of the Executive's termination due to such death. Furthermore, upon such death, any unexercised stock options granted to the Executive shall remain exercisable until the earlier of (A) the date on which the term of such stock options otherwise would have expired, or (B) the second January 1 after the date of the Executive's termination due to his death.

(d) TERMINATION BY REASON OF DISABILITY. In the event that Executive's employment terminates due to his disability as defined in Section 6(a)(ii) above, Executive shall be entitled to be paid his Base Salary plus any applicable pro rata portion of the annual performance bonus

described in Section 3(c) above for a period of six months from the date of such termination, or for such longer period as such benefits are then provided with respect to other senior executives of the Employer. If such disability occurs during a vesting period, a pro rata portion of the unvested shares of restricted stock granted to the Executive that otherwise would have become vested upon the conclusion of such vesting period shall become vested on the date of the Executive's

11

termination due to his disability, and a pro rata portion of the unexercisable stock options granted to the Executive that otherwise would have become exercisable upon the conclusion of such vesting period shall become exercisable on the date of the Executive's termination due to such disability. Furthermore, upon such disability, any unexercised stock options granted to the Executive shall remain exercisable until the earlier of (A) the date on which the term of such stock options otherwise would have expired, or (B) the second January 1 after the date of the Executive's termination due to his disability.

(e) **ARBITRATION IN THE EVENT OF A DISPUTE REGARDING THE NATURE OF TERMINATION.** In the event that the Executive's employment is terminated by the Employer for Cause or by Executive for Good Reason, and either party contends that such Cause or Good Reason did not exist, the parties agree to submit such claim to arbitration before the American Arbitration Association ("AAA"), and Executive and Employer hereby agrees to submit to any such dispute to arbitration pursuant to the terms of this Section 7(e). In such a proceeding, the only issue before the arbitrator will be whether Executive's employment was in fact terminated for Cause or for Good Reason, as the case may be. If the arbitrator determines that Executive's employment was terminated by the Employer without Cause or was terminated by Executive for Good Reason, the only remedy that the arbitrator may award is an amount equal to the severance payments specified in Section 7, the costs of arbitration, and Executive's attorneys' fees. If the arbitrator finds that Executive's employment was terminated by the Employer for Cause or by the Executive without Good Reason, the arbitrator will be without authority to award Executive anything, and the parties will each be responsible for their own attorneys' fees, and the costs of arbitration will be paid 50% by Executive and 50% by the Employer.

8. **CONFIDENTIALLY; PROHIBITED ACTIVITIES.** The Executive and the Employer recognize that due to the nature of his employment and relationship with the Employer, the Executive has access to and develops confidential business information, proprietary information, and trade secrets relating to the business and operations of the Employer. The Executive acknowledges that such information is valuable to the business of the Employer, and that disclosure to, or use for the benefit of, any person or entity other than the Employer, would cause irreparable damage to the Employer. The Executive further acknowledges that his duties for the Employer include the duty to develop and maintain client, customer, employee, and other business relationships on behalf of the Employer; and that access to and development of those close business relationships for the Employer render his services special, unique and extraordinary. In recognition that the good will and business relationships described herein are valuable to the Employer, and that loss of or damage to those relationships would destroy or diminish the value of the Employer, the Executive agrees as follows:

(a) **CONFIDENTIALITY.** During the term of this Agreement (including any renewals), and at all times thereafter, the Executive shall maintain the confidentiality of all confidential or proprietary information of the Employer ("Confidential Information"), and, except in furtherance of the business of the Employer or as specifically required by

12

law or by court order, he shall not directly or indirectly disclose any such information to any person or entity; nor shall he use Confidential Information for any purpose except for the benefit of the Employer. For purposes of the Agreement, "Confidential Information" includes, without limitation: client or customer lists, identities, contacts, business and financial information (excluding those of Executive prior to employment with Employer); investment strategies; pricing information or policies, fees or commission arrangements of the Employer; marketing plans, projections, presentations or strategies of the Employer; financial and budget information of the Employer; new personnel acquisition plans; and all other business related information which has not been publicly disclosed by the Employer. This restriction shall apply regardless of whether such Confidential Information is in written, graphic, recorded, photographic, data or any machine readable form or is orally conveyed to, or memorized by, the Executive.

(b) **PROHIBITED ACTIVITIES.** Because Executive's services to the Employer are essential and because Executive has access to the Employer's Confidential Information, Executive covenants and agrees that:

(i) (A) during the Employment Period, and (B) in the event that this Agreement is terminated (I) by the Employer for Cause or (II) by the Executive for any reason other than death, disability, Good Reason or the expiration of the term of the Agreement, Executive will not, without the prior written consent of the Board of Directors of the Employer which shall include the unanimous consent of the Directors who are not officers of the Employer, directly or indirectly (individually, or through or on behalf of another entity as owner, partner, agent, employee, consultant, or in any other capacity), during the Noncompetition Period, engage, participate or assist, as an owner, partner, employee, consultant, director, officer, trustee or agent, in the acquisition, development, management, leasing or

financing of any office real estate property anywhere in the New York City metropolitan area (it being understood that the restrictions regarding financing activities shall not apply with respect to any termination of this Agreement by the Executive upon or after the occurrence of a Change-in-Control); and

(ii) during the Employment Period, and during the two-year period following the termination of the Executive by either party for any reason (including the expiration of the term of the Agreement), Executive will not, without the prior written consent of the Board of Directors of the Employer which shall include the unanimous consent of the Directors who are not officers of the Employer, directly or indirectly (individually, or through or on behalf of another entity as owner, partner, agent, employee, consultant, or in any other capacity), solicit, encourage, or engage in any activity to induce any Employee of the Employer to terminate employment with the Employer, or to become employed by, or to enter into a business relationship with, any other person or entity. For purposes of this subsection, the term Employee means any individual who is an

13

employee of or consultant to the Employer (or any affiliate) during the six-month period prior to Executive's last day of employment.

(c) NONCOMPETITION PERIOD. For purposes of this Section 8, the Noncompetition Period shall mean the period commencing on the date of termination of Executive's employment under this Agreement and ending on the earlier of (i) the date on which the term of this Agreement otherwise would have expired, or (ii) the first anniversary of the date of termination of Executive's employment under this Agreement.

(d) PASSIVE INVESTMENTS. During the term of Employment Period, notwithstanding anything contained herein to the contrary, Executive is not prohibited by this Section 8 from making investments in any entity that engages, directly or indirectly, in the acquisition, development, construction, operation, management, financing or leasing of office real estate properties, regardless of where they are located if Executive's aggregate investment in such entity constitutes less than one percent (1%) of the equity ownership of such entity.

(e) EMPLOYER PROPERTY. The Executive acknowledges that all originals and copies of materials, records and documents generated by him or coming into his possession during his employment by the Employer are the sole property of the Employer ("Employer Property"). During his employment, and at all times thereafter, the Executive shall not remove, or cause to be removed, from the premises of the Employer, copies of any record, file, memorandum, document, computer related information or equipment, or any other item relating to the business of the Employer, except in furtherance of his duties under the Agreement. When the Executive terminates his employment with the Employer, or upon request of the Employer at any time, the Executive shall promptly deliver to the Employer all originals and copies of Employer Property in his possession or control and shall not retain any originals or copies in any form.

(f) NO DISPARAGEMENT. For one year following termination of the Executive's employment for any reason, the Executive shall not intentionally disclose or cause to be disclosed any negative, adverse or derogatory comments or information about (i) the Employer and its parent, affiliates or subsidiaries, if any; (ii) any product or service provided by the Employer and its parent, affiliates or subsidiaries, if any; (iii) the Employer's and its parent's, affiliates' or subsidiaries' prospects for the future. For one year following termination of the Executive's employment for any reason, the Employer shall not disclose or cause to be disclosed any negative, adverse or derogatory comments or information about the Executive. Nothing in this Section shall prohibit either the Employer or the Executive from testifying truthfully in a judicial or administrative proceeding in response to a subpoena.

(g) REMEDIES. The Executive declares that the foregoing limitations in Sections 8(a) through 8(f) above are reasonable and necessary for the adequate protection of the business and the goodwill of the Employer. In any restriction contained in this

14

Section 8 shall be deemed to be invalid, illegal or unenforceable by reason of the extent, duration or scope thereof, or otherwise, then the court making such determination shall have the right to reduce such extent, duration, scope, or other provisions hereof to make the restriction consistent with applicable law, and in its reduced form such restriction shall then be enforceable in the manner contemplated hereby. In the event that the Executive breaches any of the promises contained in this Section 8, the Executive acknowledges that the Employer's remedy at law for damages will be inadequate and that the Employer will be entitled to specific performance, a temporary restraining order or preliminary injunction to prevent the Executive's prospective or continuing breach and to maintain the status quo. The existence of this right to injunctive relief, or other equitable relief, or the Employer's exercise of any of these rights, shall not limit any other rights or remedies the Employer may have in law or in equity, including, without limitation, the right to arbitration contained in Section 7(e) hereof and the right to compensatory and monetary damages. In the event that a final non-appealable judgment is entered in favor of one of the parties, that party shall be reimbursed by the other party for all costs and attorneys' fees incurred by such party in such action. Executive hereby agrees to waive his right to a jury trial with respect to

any action commenced to enforce the terms of this Agreement.

(h) TRANSITION. Regardless of the reason for his departure from the Employer, the Executive agrees that at Employer's sole costs and expense, for a period of not more than thirty (30) days after termination of Executive, he shall take all steps reasonably requested by the Employer to effect a successful transition of client and customer relationships to the person or persons designated by the Employer, subject to the Executive's obligations to his new employer.

(i) COOPERATION WITH RESPECT TO LITIGATION. During the Employment period and at all times thereafter, Executive agrees to give prompt written notice to the Employer of any claim relating to the Employer and to cooperate fully, in good faith and to the best of his ability with the Employer in connection with any and all pending, potential or future claims, investigations or actions which directly or indirectly relate to any action, event or activity about which Executive may have knowledge in connection with or as a result of his employment by the Employer hereinunder. Such cooperation will include all assistance that the Employer, its counsel or its representatives may reasonably request, including reviewing documents, meeting with counsel, providing factual information and material, and appearing or testifying as a witness; provided, however, that the Employer will reimburse Executive for all reasonable expenses, including travel, lodging and meals, incurred by him in fulfilling his obligations under this Section 8(i) and, except as may be required by law or by court order, should Executive then be employed by an entity other than the Employer, such cooperation will not materially interfere with Executive's then current employment.

(j) SURVIVAL. The provisions of this Section 8(a) shall survive termination of the Executive's employment and those of Section 8(b) shall survive for the periods

15

specified therein following termination. The covenants contained in Section 8 shall be construed as independent of any of other provisions contained in this Agreement and shall be enforceable regardless of whether the Executive has a claim against the Employer under the Agreement or otherwise.

9. CONFLICTING AGREEMENTS. Executive hereby represents and warrants that the execution of this Agreement and the performance of his obligations hereunder will not breach or be in conflict with any other agreement to which he is a party or is bound, and that he is not now subject to any covenants against competition or similar covenants which would affect the performance of his obligations hereunder.

10. NOTICES. All notices or other communications required or permitted to be given hereunder shall be in writing and shall be delivered by hand and or sent by prepaid telex, cable or other electronic devices or sent, postage prepaid, by registered or certified mail or telecopy or overnight courier service and shall be deemed given when so delivered by hand, telexed, cabled or telecopied, or if mailed, three days after mailing (one business day in the case of express mail or overnight courier service), as follows:

(a) if to the Executive:

Michael Reid
30, Green Avenue
Rye, New York 10580

(b) if to the Employer:

SL Green Realty Corp.
420 Lexington Avenue
New York, New York 10170

or such other address as either party may from time to time specify by written notice to the other party hereto.

11. AMENDMENTS. No amendment, modification or waiver in respect of this Agreement shall be effective unless it shall be in writing and signed by the party against whom such amendment, modification or waiver is sought.

12. SEVERABILITY. If any provision of this Agreement (or any portion thereof) or the application of any such provision (or any portion thereof) to any person or circumstances shall be held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision hereof (or the remaining portion hereof) or the application of such provision to any other persons or circumstances.

16

13. SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon and inure to the benefit of both parties and their respective successors and assigns, including any corporation with which or into which the Employer may be merged or which may succeed to its assets or business, PROVIDED, HOWEVER, that the obligations of the Employee are personal and shall not be assigned by him. This Agreement shall inure to the benefit of and be enforceable by the Executive's personal and legal representatives, executors, administrators, assigns, heirs, distributees, devisees and legatees.

14. COUNTERPARTS. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more such counterparts have been signed by

each of the parties and delivered to the other party.

15. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to agreements made and to be performed entirely within such State, without regard to the conflicts of law principles of such State.

16. CHOICE OF VENUE. Executive agrees to submit to the jurisdiction of the United States District Court for the Southern District of New York or the Supreme Court of the State of New York, New York County, for the purpose of any action to enforce any of the terms of this Agreement.

17. ENTIRE AGREEMENT. This Agreement contains the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings relating to such subject matter. The parties hereto shall not be liable or bound to any other party in any manner by any representations, warranties or covenants relating to such subject matter except as specifically set forth herein.

18. PARAGRAPH HEADINGS. Paragraph headings used in this Agreement are included for convenience of reference only and will not affect the meaning of any provision of this agreement.

19. BOARD APPROVAL. Employer represents that its Board of Directors has approved the economic terms of this Agreement.

17

20. IN WITNESS WHEREOF, this Agreement is entered into as of the date and year first above written.

February 26, 2001

SL GREEN REALTY CORP.

By: /s/ Stephen L. Green

Name: Stephen L. Green
Title: Chairman

/s/ Michael W. Reid

Michael Reid

18

AMENDED AND RESTATED
EMPLOYMENT AND NONCOMPETITION AGREEMENT

This AMENDED AND RESTATED EMPLOYMENT AND NONCOMPETITION AGREEMENT ("Agreement") is made as of the 30th day of September, 1998 between Gerard Nocera ("Executive") and SL Green Realty Corp., a Maryland corporation with its principal place of business at 70 West 36th Street, New York, New York 10018 (the "Employer"), and amends and completely restates the Employment and Noncompetition Agreement made as of the 20th day of August, 1997.

1. TERM. The term of this Agreement shall commence on the 1st day of October, 1998 and, unless earlier terminated as provided herein, shall terminate on the third anniversary of such date (the "Current Term"); PROVIDED, HOWEVER, that Section 8 hereof shall survive the termination of this Agreement as provided therein. The Current Term shall automatically be extended for successive one-year periods (each a "Renewal Term"), unless either party shall notify the other in writing at least six (6) months prior to the expiration of the Current Term or the applicable Renewal Term of its intention not to renew such Term. The period of Executive's employment hereunder consisting of the Current Term and all Renewal Terms, if any, is herein referred to as the "Employment Period"

2. EMPLOYMENT AND DUTIES.

(a) DUTIES. During the Employment Period, Executive shall be employed in the business of the Employer and its affiliates. Executive shall serve the Employer as a senior corporate executive with the title Executive Vice President-Leasing of the Employer. Executive's duties and authority shall be as set forth in the By-laws of the Employer and as otherwise established from time to time by the Board of Directors of the Employer, and shall be commensurate with his titles and positions with the Employer.

(b) BEST EFFORTS. Executive agrees to his employment as described in this Section 2 and agrees to devote substantially all of his business time and efforts to the performance of his duties under this Agreement, except as otherwise approved by the Board of Directors of the Employer; PROVIDED, HOWEVER, that nothing herein shall be interpreted to preclude Executive from (i) participating as an officer or director of, or advisor to, any charitable or other tax exempt organization or otherwise engaging in charitable, fraternal or trade group activities, (ii) acting as an officer of any subsidiary of the Company, or (iii) investing his assets as a passive investor in other entities or business ventures, provided that he performs no management or similar role with respect to such entities or ventures and such investment does not violate Section 8 hereof.

(c) TRAVEL. In performing his duties hereunder, Executive shall be available for all reasonable travel as the needs of the Employer's business may require. Executive shall be based in the metropolitan area of New York City.

3. COMPENSATION AND BENEFITS. In consideration of Executive's services hereunder, the Employer shall compensate Executive as provided in this Section 3.

(a) BASE SALARY. The Employer shall pay Executive an aggregate annual salary at the rate of \$175,000 per annum during the Employment Period ("Base Salary"), subject to applicable withholding. Base Salary shall be payable in accordance with the Employer's normal business practices, but in no event less frequently than monthly. Executive's Base Salary shall be reviewed no less frequently than annually by the Employer and may be increased, but not decreased, by the Employer during the Employment Period.

(b) INCENTIVE COMPENSATION. In addition to the Base Salary payable to Executive pursuant to Section 3(a), during the Employment Period, Executive shall be eligible to participate in any incentive compensation plans in effect with respect to senior executive officers of the Employer, subject to Executive's compliance with such criteria as the Employer's Board of Directors, in its sole discretion, may establish for Executive's participation in such plans from time to time. Any awards to Executive under such plans will be established by the Employer's Board of Directors, or a committee thereof, in its sole discretion.

(c) STOCK OPTIONS. During the Employment Period, Executive shall be eligible to participate in employee stock option plans established from time to time for the benefit of senior executive officers and other employees of the Employer in accordance with the terms and conditions of such plans. All decisions regarding awards to Executive under the Employer's stock option plans shall be made in the sole discretion of the Employer's Board of Directors, or a committee thereof.

(d) EXPENSES. Executive shall be reimbursed for all reasonable business related expenses incurred by Executive at the request of or on behalf of the Employer, provided that such expenses are incurred and accounted for in accordance with the policies and procedures established by the Employer.

(e) MEDICAL INSURANCE. During the Employment Period, Executive and

Executive's immediate family shall be entitled to participate in such medical benefit plan as the Employer shall maintain from time to time for the benefit of senior executive officers of the Employer and their families, on the terms and subject to the conditions set forth in such plan. Nothing in this section shall limit the Employer's right to change, modify or terminate any benefit plan or program as it sees fit from time to time in the normal course of business.

(f) VACATIONS. Executive shall be entitled to reasonable paid vacations in accordance with the then regular procedures of the Employer governing senior executive officers.

(g) OTHER BENEFITS. During the Employment Period, the Employer shall provide to Executive such other benefits, including sick leave and the right to

2

participate in such retirement or pension plans, as are made generally available to senior executive officers and employees of the Employer from time to time.

4. INDEMNIFICATION AND LIABILITY INSURANCE. The Employer agrees to indemnify Executive to the extent permitted by applicable law with respect to any actions commenced against Executive in his capacity as an officer or director, or former officer or director, of the Employer or any affiliate thereof for which he may serve in such capacity. The Employer also agrees to use its best efforts to secure and maintain officers and directors liability insurance providing coverage for Executive.

5. EMPLOYER'S POLICIES. Executive agrees to observe and comply with the rules and regulations of the Employer as adopted by its Board of Directors from time to time regarding the performance of his duties and to carry out and perform orders, directions and policies communicated to him from time to time by the Employer's Board of Directors.

6. TERMINATION. The Executive's employment hereunder may be terminated under the following circumstances:

(a) TERMINATION BY THE EMPLOYER.

(i) DEATH. The Executive's employment hereunder shall terminate upon his death.

(ii) DISABILITY. If, in the reasonable good faith determination of the Board of Directors, as a result of the Executive's incapacity due to physical or mental illness or disability, the Executive shall have been incapable of performing his duties hereunder even with a reasonable accommodation on a full-time basis for the entire period of three consecutive months or any 90 days in a 180-day period, and within 30 days after written Notice of Termination (as defined in Section 6(c)) is given he shall not have returned to the performance of his duties hereunder on a full-time basis, the Employer may terminate the Executive's employment hereunder.

(iii) CAUSE. The Employer may terminate the Executive's employment hereunder for Cause, subject to the severance provisions specifically set forth in Section 7(b) and the arbitration provisions specifically set forth in Section 7(e). For purposes of the Agreement, "Cause" shall mean that the Board of Directors of the Employer concludes, in good faith and after reasonable investigation, that:

(A) the Executive engaged in conduct which is a felony under the laws of the United States or any state or political subdivision thereof;

(B) the Executive engaged in conduct constituting breach of fiduciary duty, gross negligence or willful misconduct relating to the Employer, fraud or dishonesty or willful or material misrepresentation relating to the business of the Employer;

3

(C) the Executive breached his obligations or covenants under Section 8 of this Agreement in any material respect; or

(D) the Executive failed to perform his duties hereunder in a manner and at a level reasonably satisfactory to the Employer more than 15 days after receiving notice from the Employer, which notice specifically identifies the manner in which he has failed so to perform.

(iv) WITHOUT CAUSE. Executive's employment hereunder may be terminated by the Employer at any time with or without Cause (as defined in Section 6(a)(iii) above), by a majority vote of all of the members of the Board of Directors of the Employer upon written notice to Executive, subject only to the severance provisions specifically set forth in Section 7(a) herein.

(b) TERMINATION BY THE EXECUTIVE.

(i) DISABILITY. The Executive may terminate his employment hereunder for Disability within the meaning of Section 6(a)(ii) above.

(ii) WITH GOOD REASON. Executive's employment hereunder may be

terminated by Executive with Good Reason effective immediately by written notice to the Board of Directors of the Employer. For purposes of this Agreement, with "Good Reason" shall mean: (i) a failure of the Board of Directors of the Employer to elect Executive to offices with the same or substantially the same duties and responsibilities as set forth in Section 2; (ii) a material failure by the Employer to comply with the provisions of Section 3 or a material breach by the Employer of any other provision of this Agreement which has not been cured within thirty (30) days after notice of noncompliance, (specifying the nature of the noncompliance) has been given by the Executive to the Employer; or (iii) a Force Out (as such term is defined in Section 6(d) below). Notwithstanding any provision of this Agreement to the contrary, with "Good Reason" shall not include any assignment of Executive to a position or office that has new or different duties, provided that such position or office is principally related to leasing, has a substantially similar level of responsibility to Executive's immediately preceding position or office and is commensurate with Executive's education, skills and experience.

(c) NOTICE OF TERMINATION. Any termination of the Executive's employment by the Employer or by the Executive (other than termination pursuant to subsection (a)(1) hereof) shall be communicated by written Notice of Termination to the other party hereto in accordance with Section 11 of this Agreement. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon and, as applicable, shall set forth in reasonable detail the fact and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated.

4

(d) DEFINITIONS. The following terms shall be defined as set forth below.

(i) A "Change-in-Control" shall be deemed to have occurred after the effective date of the initial public offering of the Employer's Common Stock ("IPO") if:

(A) any Person, together with all "affiliates" and "associates" (as such terms are defined in Rule 12b-2 under the Securities Exchange Act of 1934 (the "Exchange Act")) of such Person, shall become the "beneficial owner" (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Employer representing 40% or more of either (A) the combined voting power of the Employer's then outstanding securities having the right to vote in an election of the Employer's Board of Directors ("Voting Securities") or (B) the then outstanding shares of all classes of stock of the Employer (in either such case other than as a result of the acquisition of securities directly from the Employer); or

(B) individuals who, as of the date of the closing of the IPO, constitute the Employer's Board of Directors (the "Incumbent Directors") cease for any reason, including, without limitation, as a result of a tender offer, proxy contest, merger or similar transaction, to constitute at least a majority of the Employer's Board of Directors, provided that any person becoming a director of the Employer subsequent to the closing of the IPO whose election or nomination for election was approved by a vote of at least a majority of the Incumbent Directors shall, for purposes of this Agreement, be considered an Incumbent Director; or

(C) the stockholders of the Employer shall approve (1) any consolidation or merger of the Employer or any subsidiary where the stockholders of the Employer, immediately prior to the consolidation or merger, would not, immediately after the consolidation or merger, beneficially own (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, shares representing in the aggregate at least 50% of the voting shares of the corporation issuing cash or securities in the consolidation or merger (or of its ultimate parent corporation, if any), (2) any sale, lease, exchange or other transfer (in one transaction or a series of transactions contemplated or arranged by any party as a single plan) of all or substantially all of the assets of the Employer or (3) any plan or proposal for the liquidation or dissolution of the Employer;

Notwithstanding the foregoing, a "Change-in-Control" shall not be deemed to have occurred for purposes of the foregoing clause (A) solely as the result of an acquisition of securities by the Employer which, by reducing the number of shares of stock or other Voting Securities outstanding, increases (x) the proportionate number of shares of stock of the Employer beneficially owned by

5

any Person to 40% or more of the shares of stock then outstanding or (y) the proportionate voting power represented by the Voting Securities beneficially owned by any Person to 40% or more of the combined voting power of all then outstanding Voting Securities; PROVIDED, HOWEVER, that if any Person referred to in clause (x) or (y) of this sentence shall thereafter become the beneficial owner of any additional stock of the Employer or other Voting Securities (other than pursuant to a share split, stock dividend, or similar

transaction), then a "Change-in-Control" shall be deemed to have occurred for purposes of the foregoing clause (A). In addition, notwithstanding the foregoing, a "Change-in-Control" shall not be deemed to have occurred for purposes of the foregoing clause (A) if (i) Stephen L. Green continues to serve as Chief Executive Officer or the equivalent of any surviving entity, and (ii) the proportionate number of shares of stock of the Employer beneficially owned, or the proportionate voting power represented by the Voting Securities beneficially owned, by any Person described in such clause (A) does not exceed 49%.

(ii) A "Force Out" shall be deemed to have occurred in the event of a Change-In-Control followed by:

(A) a change in duties, responsibilities, status or positions with the Employer, which, in Executive's reasonable judgment, does not represent a promotion from or maintaining of Executive's duties, responsibilities, status or positions as in effect immediately prior to the Change-In-Control, or any removal of Executive from or any failure to reappoint or reelect Executive to such positions, except in connection with the termination of Executive's employment for Cause, disability, retirement or death;

(B) a reduction by the Employer in Executive's Base Salary as in effect immediately prior to the Change-In-Control;

(C) the failure by the Employer to continue in effect any of the benefit plans in which Executive is participating at the time of the Change-In-Control of the Employer (unless Executive is permitted to participate in any substitute benefit plan with substantially the same terms and to the same extent and with the same rights as Executive had with respect to the benefit plan that is discontinued) other than as a result of the normal expiration of any such benefit plan in accordance with its terms as in effect at the time of the Change-In-Control, or the taking of any action, or the failure to act, by the Employer which would adversely affect Executive's continued participation in any of such benefit plans on at least as favorable a basis to Executive as was the case on the date of the Change-In-Control or which would materially reduce Executive's benefits in the future under any of such benefit plans or deprive Executive of any material benefits enjoyed by Executive at the time of the Change-In-Control; PROVIDED, HOWEVER, that any such action or inaction on the part of the Employer, including any modification, cancellation or

6

termination of any benefits plan, undertaken in order to maintain such plan in compliance with any federal, state or local law or regulation governing benefits plans, including, but not limited to, the Employment Retirement Income Security Act of 1974, shall not constitute a Force Out for the purposes of this Agreement.

(D) the Employer's requiring Executive to be based in an office located beyond a reasonable commuting distance from Executive's residence immediately prior to the Change-In-Control, except for required travel relating to the Employer's business to an extent substantially consistent with the business travel obligations which Executive undertook on behalf of the Employer prior to the Change-In-Control;

(E) the failure by the Employer to obtain from any successor to the Employer an agreement to be bound by this Agreement pursuant to Section 14 hereof; or

(iii) "Person" shall have the meaning used in Sections 13(d) and 14(d) of the Exchange Act; provided however, that the term "Person" shall not include (A) any current partner of SL Green Operating Partnership, L.P., any stockholder or employee of the Employer on the date hereof or any estate or member of the immediate family of such a partner, stockholder or employee, or (B) the Employer, any of its subsidiaries, or any trustee, fiduciary or other person or entity holding securities under any employee benefit plan of the Employer or any of its subsidiaries.

7. COMPENSATION UPON TERMINATION OR DURING DISABILITY.

(a) TERMINATION WITHOUT CAUSE OR WITH GOOD REASON. If (i) Executive is terminated without Cause pursuant to Section 6(a)(iv) above, or (ii) Executive shall terminate his employment hereunder with Good Reason pursuant to Section (6)(b)(ii) above, then the Employment Period shall terminate as of the effective date set forth in the written notice of such termination (the "Termination Date") and Executive shall be entitled to the following benefits:

(i) The Employer shall continue to pay Executive's Base Salary for the remaining term of the Employment Period after the date of Executive's termination, or, if such termination occurs in connection with or after a Change-in-Control, for three years, whichever period is longer, at the rate in effect on the date of his termination and on the same periodic payment dates as payment would have been made to Executive had the Employment Period not been terminated;

(ii) For the remaining term of the Employment Period, or, if such termination occurs in connection with or after a

Change-in-Control, for three years, whichever period is longer, Executive shall continue to receive all benefits described in Section 3 existing on the date of termination, including, but not limited to, any bonuses and incentive compensation described in Section 3 of this

7

Agreement, subject to the terms and conditions upon which such benefits may be offered. For purposes of the application of such benefits, Executive shall be treated as if he had remained in the employ of the Employer with a Base Salary at the rate in effect on the date of termination;

(iii) For purposes of any stock option plan of the Employer, (x) Executive shall be treated as if he had remained in the employ of the Employer for the remaining term of the Employment Period after the date of Executive's termination, or for one year, whichever period is longer, so that Executive may exercise any exercisable options and Executive's other rights shall continue to vest during the remaining term of the Employment Period with respect to any options previously granted under such plans, except as otherwise provided in such plans, and (y) if such termination occurs in connection with or after a Change-in-Control, any stock options and any other rights of Executive (including restricted stock awards) shall become fully vested and immediately exercisable upon such termination;

(iv) Nothing herein shall be deemed to obligate Executive to seek other employment in the event of any such termination and any amounts earned or benefits received from such other employment will not serve to reduce in any way the amounts and benefits payable in accordance herewith; and

(v) If in the opinion of tax counsel selected by the Executive and reasonably acceptable to the Employer, the Executive has or will receive any compensation or recognize any income (whether or not pursuant to this Agreement or any plan or other arrangement of the Employer and whether or not the Employment Period or the Executive's employment with the Employer has terminated) which will constitute an "excess parachute payment" within the meaning of Section 280G(b)(1) of the Internal Revenue Code (the "Code") (or for which a tax is otherwise payable under Section 4999 of the Code or any successor provision thereto), then the Employer shall pay the Executive an additional amount (the "Additional Amount") equal to the sum of (i) all taxes payable by the Executive under Section 4999 of the Code with respect to all such excess parachute payments and any such Additional Amount, plus (ii) all federal, state and local income taxes payable by Executive with respect to any such Additional Amount. Any amounts payable pursuant to this paragraph (v) shall be paid by the Employer to the Executive within 30 days of each written request therefor made by the Executive.

(b) TERMINATION FOR CAUSE OR WITHOUT GOOD REASON. If Executive is terminated for Cause pursuant to Section 6(a)(iii) above, or if Executive voluntarily terminates his employment hereunder without Good Reason pursuant to Section 6(b)(ii) above, then the Employment Period shall terminate as of the effective date set forth in the written notice of such termination (the "Termination Date") and any outstanding stock options held by Executive shall expire in accordance with the terms of the stock option plan or option agreement under

8

which the stock options were granted. Executive shall be entitled to receive the following benefits:

(i) If (A) Executive is terminated for Cause pursuant to Section 6(a)(iii)(A), (B) or (C) above (regardless of whether he submits a claim of lack of Cause to arbitration pursuant to Section 7(e) herein), (B) Executive is terminated for Cause pursuant to Section 6(a)(iii)(D) above and does not submit a claim of lack of Cause to arbitration pursuant to Section 7(e) herein, or (C) Executive voluntarily terminates his employment hereunder without Good Reason pursuant to Section 6(b)(ii) above, then Executive shall be entitled to receive only his Base Salary at the rate then in effect until the Termination Date.

(ii) If Executive is terminated for Cause pursuant to Section 6(a)(iii)(D) above and submits a claim of lack of Cause to arbitration pursuant to Section 7(e) herein, then, subject to Executive's repayment obligation under Section 7(e)(ii)(B), Executive shall be entitled to receive 80% of his Base Salary at the rate then in effect until the earlier of either the date one year after the Termination Date or the date of the arbitrator's final determination.

(c) TERMINATION BY REASON OF DEATH. If Executive's employment terminates due to his death, the Employer shall pay Executive's Base Salary for a period of six months from the date of his death, or such longer period as the Employer's Board of Directors may determine, to Executive's estate or to a beneficiary designated by Executive in writing prior to his death. Any unexercised or unvested stock options shall remain exercisable or vest upon Executive's death only to the extent provided in the applicable option plan and option agreements.

(d) TERMINATION BY REASON OF DISABILITY. In the event that Executive's employment terminates due to his disability as defined in

Section 6(a)(ii) above, Executive shall be entitled to be paid his Base Salary until the later of such time when (i) the period of disability or illness (whether or not the same disability or illness) shall exceed 180 consecutive days during the Employment Period and (ii) Executive becomes eligible to receive benefits under a comprehensive disability insurance policy obtained by the Employer (the "Disability Period"). Following the expiration of the Disability Period, the Employer may terminate this Agreement upon written notice of such termination. Any unexercised or unvested stock options shall remain exercisable or vest upon such termination only to the extent provided in the applicable option plan and option agreements.

(e) ARBITRATION IN THE EVENT OF A DISPUTE REGARDING THE NATURE OF TERMINATION. In the event that the Executive's employment is terminated by the Employer for Cause or by Executive for Good Reason, and either party contends that such Cause or Good Reason did not exist, the parties agree to submit such claim to arbitration before the American Arbitration Association ("AAA"), and Executive hereby agrees to submit to any such dispute to arbitration pursuant to the terms of this Section 7(e). In such a proceeding, the only issue before the

9

arbitrator will be whether Executive's employment was in fact terminated for Cause or for Good Reason, as the case may be.

(i) AWARDS IN FAVOR OF THE EXECUTIVE. If the arbitrator determines that Executive's employment was terminated by the Employer without Cause or was terminated by Executive for Good Reason, the only remedy that the arbitrator may award is an amount equal to the severance payments specified in Section 7(a), the costs of arbitration, and Executive's attorneys' fees. In cases where an award is granted to an Executive who was terminated for Cause pursuant to Section 6(a)(iii)(D) above, such arbitration award shall be reduced by the amount of Base Salary already paid by the Employer pursuant to Section 7(b)(ii) above.

(ii) AWARDS IN FAVOR OF THE EMPLOYER.

(A) If the arbitrator finds that Executive's employment was terminated by the Employer for Cause pursuant to Section 6(a)(iii)(A), (B), (C) or (D) above, or by the Executive without Good Reason, the arbitrator will be without authority to award Executive anything, the parties will each be responsible for their own attorneys' fees, and the costs of arbitration will be paid 50% by Executive and 50% by the Employer.

(B) In addition, if the arbitrator finds that the Executive's employment was terminated for Cause pursuant to Section 6(a)(iii)(D) above, Executive must promptly reimburse the Employer for the full amount of any Base Salary paid by the Employer with respect to periods after the Termination Date pursuant to Section 7(b)(ii) above.

8. CONFIDENTIALITY; PROHIBITED ACTIVITIES. The Executive and the Employer recognize that due to the nature of his employment and relationship with the Employer, the Executive has access to and develops confidential business information, proprietary information, and trade secrets relating to the business and operations of the Employer. The Executive acknowledges that such information is valuable to the business of the Employer, and that disclosure to, or use for the benefit of, any person or entity other than the Employer, would cause irreparable damage to the Employer. The Executive further acknowledges that his duties for the Employer include the duty to develop and maintain client, customer, employee, and other business relationships on behalf of the Employer; and that access to and development of those close business relationships for the Employer render his services special, unique and extraordinary. In recognition that the good will and business relationships described herein are valuable to the Employer, and that loss of or damage to those relationships would destroy or diminish the value of the Employer, the Executive agrees as follows:

(a) CONFIDENTIALITY. During the term of this Agreement (including any renewals), and at all times thereafter, the Executive shall maintain the confidentiality of all confidential or proprietary information of the Employer ("Confidential Information"), and, except in furtherance of the business of the Employer, he shall not directly or indirectly disclose any such information to any person or entity; nor shall he use Confidential Information for any purpose except

10

for the benefit of the Employer. For purposes of the Agreement, "Confidential Information" includes, without limitation: client or customer lists, identities, contacts, business and financial information; investment strategies; pricing information or policies, fees or commission arrangements of the Employer; marketing plans, projections, presentations or strategies of the Employer; financial and budget information of the Employer; new personnel acquisition plans; and all other business related information which has not been publicly disclosed by the Employer. This restriction shall apply regardless of whether such Confidential Information is in written, graphic, recorded, photographic, data or any machine readable form or is orally conveyed to, or memorized by, the Executive. The Executive further agrees that, during the Employment Period and at all times thereafter, he shall keep confidential and shall not release, use or disclose without prior written permission of the Employer, all

Confidential Information developed by him on behalf of the Employer or provided to him by the Employer, excepting only such information as was already known to him prior to the commencement of his employment by the Employer or such information as is already known to the public.

(b) PROHIBITED ACTIVITIES. Because Executive's services to the Employer are essential and because Executive has access to the Employer's Confidential Information, Executive covenants and agrees that (i) during the Employment Period, (ii) in the event that this Agreement is terminated by the Employer for Cause or by the Executive other than for Good Reason, during the one-year period following the date of such termination, and (iii) solely for purposes of paragraph (vi) below, during the five-year period following the date on which Executive's employment terminates for any reason, Executive will not, without the prior written consent of the Board of Directors of the Employer which shall include the unanimous consent of the Directors who are not officers of the Employer, directly or indirectly (individually, or through or on behalf of another entity as owner, partner, agent, employee, consultant, or in any other capacity):

(i) engage, participate or assist, as an owner, partner, employee, consultant, director, officer, trustee or agent, in any business that engages or attempts to engage, directly or indirectly, in any material acquisition, development, construction, operation, management or leasing of any commercial real estate property:

(A) anywhere in the five boroughs of New York City, regardless of whether such business is publicly or privately held;

(B) anywhere in the New York City metropolitan area, if such business or any of its affiliates (within the meaning of the Securities Act of 1933) has issued any class of publicly-traded securities;

(C) anywhere in the New York City metropolitan area, regardless of whether such business is publicly or privately held, if such

11

business engages in the commercial real estate business in any county in which the Employer also engages in the commercial real estate business.

For purposes of this subsection, the New York City metropolitan area includes each borough of New York City; Nassau, Orange, Putnam, Rockland, Suffolk and Westchester Counties in the State of New York; Bergen, Essex, Hudson, Hunterdon, Mercer, Middlesex, Monmouth, Morris, Passaic, Somerset, Sussex, Union and Warren Counties in the State of New Jersey; and Fairfield County in the State of Connecticut);

(ii) seek, solicit, or engage in any attempt to establish for himself or for any other person or entity, a business relationship with any person or entity who was a client or customer of the Employer, or who was solicited to become a client or customer of the Employer, during the Employment Period ("Employer Clients");

(iii) engage in any activity to interfere with, disrupt or damage the business of the Employer, or its relationships with any Employer Client, employee, supplier or other business relationship;

(iv) engage in business with, or provide advice or services to, any Employer Client solicited by the Executive in breach of Section 8 of this Agreement (whether or not such services are compensated);

(v) receive, or cause any other person or entity to receive, any compensation, consideration, or income, in any form, from any Employer Client solicited by him in breach of Section 8 of this Agreement; or

(vi) solicit, encourage, or engage in any activity to induce any Employee of the Employer to terminate employment with the Employer, or to become employed by, or to enter into a business relationship with, any other person or entity. For purposes of this subsection, the term Employee means any individual who is an employee of or consultant to the Employer (or any affiliate) during the six-month period prior to Executive's last day of employment.

(c) OPTION PROPERTY. Notwithstanding anything contained herein to the contrary, Executive is not prohibited by this Section 8 from (i) maintaining his or her investment in any Option Property (as such term is defined in the Employer's final prospectus relating to the IPO) or in any asset listed in the Employer's final prospectus relating to the IPO under the caption "The Properties - Assets Not Being Transferred to the Company" or (ii) from making investments in any entity that engages, directly or indirectly, in the acquisition, development, construction, operation, management or leasing of office real estate properties, regardless of where they are located, if the shares or other ownership interests of such entity are publicly traded and Executive's aggregate investment in such entity constitutes less than one percent (1%) of the equity ownership of such entity.

12

(d) EMPLOYER PROPERTY. The Executive acknowledges that all originals

and copies of materials, records and documents generated by him or coming into his possession during his employment by the Employer are the sole property of the Employer ("Employer Property"). During his employment, and at all times thereafter, the Executive shall not remove, or cause to be removed, from the premises of the Employer, copies of any record, file, memorandum, document, computer related information or equipment, or any other item relating to the business of the Employer, except in furtherance of his duties under the Agreement. When the Executive terminates his employment with the Employer, or upon request of the Employer at any time, the Executive shall promptly deliver to the Employer all originals and copies of Employer Property in his possession or control and shall not retain any originals or copies in any form.

(e) NO DISPARAGEMENT. Following termination of the Executive's employment for any reason, the Executive shall not disclose or cause to be disclosed any negative, adverse or derogatory comments or information about (i) the Employer and its parent, affiliates or subsidiaries, if any; (ii) any product or service provided by the Employer and its parent, affiliates or subsidiaries, if any; or (iii) the Employer's and its parent's, affiliates' or subsidiaries' prospects for the future.

(f) REMEDIES. The Executive declares that the foregoing limitations in Sections 8(a) through 8(f) above are reasonable and necessary for the adequate protection of the business and the goodwill of the Employer. If any restriction contained in this Section 8 shall be deemed to be invalid, illegal or unenforceable by reason of the extent, duration or scope thereof, or otherwise, then the court making such determination shall have the right to reduce such extent, duration, scope, or other provisions hereof to make the restriction consistent with applicable law, and in its reduced form such restriction shall then be enforceable in the manner contemplated hereby. In the event that the Executive breaches any of the promises contained in this Section 8, the Executive acknowledges that the Employer's remedy at law for damages will be inadequate and that the Employer will be entitled to specific performance, a temporary restraining order or preliminary injunction to prevent the Executive's prospective or continuing breach and to maintain the status quo. The existence of this right to injunctive relief, or other equitable relief, or the Employer's exercise of any of these rights, shall not limit any other rights or remedies the Employer may have in law or in equity including, without limitation, the right to arbitration contained in Section 7(e) hereof and the right to compensatory, punitive and monetary damages. In the event that a final non-appealable judgment is entered in favor of one of the parties, that party shall be reimbursed by the other party for all costs and attorneys' fees incurred by such party in such action. Executive hereby agrees to waive his right to a jury trial with respect to any action commenced to enforce the terms of this Agreement.

(g) TRANSITION. Regardless of the reason for his departure from the Employer, the Executive agrees that: (i) he shall assist the Employer in maintaining the

13

business of the clients and customers with whom the Executive has a relationship; and (ii) he shall take all steps reasonably requested by the Employer to effect a successful transition of those relationships to the person or persons designated by the Employer.

(h) SURVIVAL. The provisions of this Section 8 shall survive termination of the Executive's employment. The covenants contained in Section 8 shall be construed as independent of any of other provisions contained in this Agreement and shall be enforceable regardless of whether the Executive has a claim against the Employer under the Agreement or otherwise.

9. COOPERATION. The Executive agrees to give prompt written notice to the Employer of any claim or injury relating to the Employer, and to fully cooperate in good faith and to the best of his ability with the Employer in connection with all pending, potential or future claims, investigations or actions which directly or indirectly relate to any transaction, event or activity about which the Executive may have knowledge because of his employment with the Employer. Such cooperation shall include all assistance that the Employer, its counsel, or its representatives may reasonably request, including reviewing documents, meeting with counsel, providing factual information and material, and appearing or testifying as a witness.

10. CONFLICTING AGREEMENTS. Executive hereby represents and warrants that the execution of this Agreement and the performance of his obligations hereunder will not breach or be in conflict with any other agreement to which he is a party or is bound, and that he is not now subject to any covenants against competition or similar covenants which would affect the performance of his obligations hereunder.

11. NOTICES. All notices or other communications required or permitted to be given hereunder shall be in writing and shall be delivered by hand and or sent by prepaid telex, cable or other electronic devices or sent, postage prepaid, by registered or certified mail or telecopy or overnight courier service and shall be deemed given when so delivered by hand, telexed, cabled or telecopied, or if mailed, three days after mailing (one business day in the case of express mail or overnight courier service), as follows:

(a) if to the Executive:

Gerard Nocera
70 West 36th Street
New York, New York 10018

(b) if to the Employer:

SL Green Realty Corp.
70 West 36th Street
New York, New York 10018

or such other address as either party may from time to time specify by written notice to the other party hereto.

14

12. AMENDMENTS. No amendment, modification or waiver in respect of this Agreement shall be effective unless it shall be in writing and signed by the party against whom such amendment, modification or waiver is sought.

13. SEVERABILITY. If any provision of this Agreement (or any portion thereof) or the application of any such provision (or any portion thereof) to any person or circumstance shall be held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision hereof (or the remaining portion thereof) or the application of such provision to any other persons or circumstances.

14. SUCCESSORS. Neither this Agreement nor any rights hereunder may be assigned or hypothecated by the Executive. This Agreement may be assigned by the Employer and shall be binding upon, and inure to the benefit of, the Employer's successors and assigns.

15. COUNTERPARTS. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more such counterparts have been signed by each of the parties and delivered to the other party.

16. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to agreements made and to be performed entirely within such State, without regard to the conflicts of law principles of such State.

17. CHOICE OF VENUE. Executive agrees to submit to the jurisdiction of the United States District Court for the Southern District of New York or the Supreme Court of the State of New York, New York County, for the purpose of any action to enforce any of the terms of this Agreement.

18. ENTIRE AGREEMENT. This Agreement contains the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings relating to such subject matter. The parties hereto shall not be liable or bound to any other party in any manner by any representations, warranties or covenants relating to such subject matter except as specifically set forth herein.

15

19. PARAGRAPH HEADINGS. Paragraph headings used in this Agreement are included for convenience of reference only and will not affect the meaning of any provision of this agreement.

IN WITNESS WHEREOF, this Agreement is entered into as of the date and year first above written.

SL GREEN REALTY CORP.

By: /s/ Stephen L. Green

Name: Stephen L. Green
Title: Chief Executive Officer

/s/ Gerard Nocera

Gerard Nocera

16

EMPLOYMENT AND NONCOMPETITION AGREEMENT

This EMPLOYMENT AND NONCOMPETITION AGREEMENT ("Agreement") is made as of the ____ day of July, 2001 between Thomas E. Wirth ("Executive") and SL Green Realty Corp., a Maryland corporation with its principal place of business at 420 Lexington Avenue, New York, New York 10170 (the "Employer").

1. TERM. The term of this Agreement shall commence on October 1, 2001 and, unless earlier terminated as provided in Section 6 below, shall terminate on the third anniversary of the date of this Agreement (the "Original Term"); PROVIDED, HOWEVER, that Section 8 hereof shall survive the termination of this Agreement as provided therein. The Original Term may be extended for such period or periods, if any, as may be mutually agreed to in writing by Executive and the Employer (each a "Renewal Term"). If either party intends not to extend the Original Term, such party will give the other party at least six (6) months' written notice of such intention. If either party gives such notice with less than six (6) months remaining in the Original Term, the term of this Agreement shall be extended until the date which is six (6) months after the date on which the notice is given. The period of Executive's employment hereunder consisting of the Original Term and all Renewal Terms, if any, is herein referred to as the "Employment Period" and an anniversary of the date of this Agreement is herein referred to as an "Anniversary."

2. EMPLOYMENT AND DUTIES.

(a) DUTIES. During the Employment Period, Executive shall be employed in the business of the Employer and its affiliates. Executive shall serve the Employer as a senior corporate executive and shall have the title of Chief Financial Officer of the Employer. Executive will report to the Chief Operating Officer and President of the Employer. The Executive shall be principally responsible for the financial systems and controls, public accounting and reporting and tax planning and implementation for Employer and shall provide assistance to Employer's Chief Operating Officer in connection with such activities. Executive's duties and authority shall be as further set forth in the By-laws of the Employer and as otherwise established from time to time by the Chief Operating Officer of the Employer, but in all events such duties shall be commensurate with his position as Chief Financial Officer of the Employer.

(b) BUSINESS TIME AND EFFORTS. Executive agrees to his employment as described in this Section 2 and agrees to devote substantially all of his business time and efforts to the performance of his duties under this Agreement, except as otherwise approved by the Board of Directors of the Employer; PROVIDED, HOWEVER, that nothing herein shall be interpreted to preclude Executive from (i) participating as an officer or director of, or advisor to, any charitable or other tax exempt organization or otherwise engaging in charitable, fraternal or trade group activities; and (ii) investing his assets as a passive investor in other entities or business ventures, provided that he performs no management or similar role with respect to such entities or ventures and such investment does not violate Section 8 hereof; and/or serving as a member of the Board of Directors

of a for-profit corporation with the approval of the Chief Executive Officer of the Company.

(c) TRAVEL. In performing his duties hereunder, Executive shall be available for all reasonable travel as the needs of the Employer's business may require. Executive shall be based in, or within 25 miles of, Manhattan.

3. COMPENSATION AND BENEFITS. In consideration of Executive's services hereunder, the Employer shall compensate Executive as provided in this Section 3.

(a) BASE SALARY. The Employer shall pay Executive an aggregate minimum annual salary at the rate of \$225,000 per annum during the Employment Period ("Base Salary"), subject to applicable tax withholding. Base Salary shall be payable bi-weekly in accordance with the Employer's normal business practices. Solely for the purpose of determining whether Executive's Base Salary payable under this Section 3(a) should be increased, the Base Salary shall be subject to review by the Employer's Board of Directors or Compensation Committee at least once annually.

(b) BONUSES. During the Employment Period, Executive shall receive such discretionary annual bonuses as the Employer's Board of Directors, in its sole discretion, may deem appropriate to reward Executive for job performance; PROVIDED, HOWEVER, that Executive's annual performance bonus shall not be less than \$100,000. Any bonus shall be subject to applicable tax withholdings.

(c) STOCK OPTIONS. During the Employment Period, in the sole discretion of the Employer's Board of Directors or a committee thereof, Executive shall be eligible to participate in the Employer's then current Stock Option and Incentive Plan (the "Plan"), which authorizes the grant of stock options, stock awards and the making of loans to acquire the Employer's common stock ("Common Stock")

(d) EQUITY AWARDS. Effective as of the date that this Agreement is executed by the Employer and Executive, Executive shall be granted 15,000 restricted shares of Common Stock. The grant shall become vested and nonforfeitable as to 15% of such shares on the first Anniversary, 15% of such shares on the second Anniversary and 70% of such shares on the third Anniversary in each case subject to (i) the Employer achieving either a 10%

increase in funds from operations (on a per share basis) or a 15% total return (including all dividends and stock appreciation) to shareholders during the last fiscal year completed before the applicable vesting date, and (ii) the Executive remaining employed by the Employer except as otherwise provided herein. Furthermore, (i) if the Employer achieves either an increase in funds from operations (on a per share basis) of at least 8% (but less than 9%) or a total return to shareholders of at least 13% (but less than 14%) during the last fiscal year completed before an applicable vesting date, then 80% of the restricted shares that otherwise would have become vested on such vesting date shall become vested, (ii) if the Employer achieves either an increase in funds from operations

2

(on a per share basis) of at least 9% (but less than 10%) or a total return to shareholders of at least 14% (but less than 15%) during the last fiscal year completed before the applicable vesting date, then 90% of the restricted shares that otherwise would have become vested on such vesting date shall become vested, and (iii) if the Employer achieves a total return to shareholders in the top one-third of a peer group of companies (to be determined for such year by the Compensation Committee of the Employer's Board of Directors) during the last fiscal year completed before the applicable vesting date, then 100% of the restricted shares that otherwise would have become vested on such vesting date shall become vested. If necessary to reach a vesting threshold for any period, the Compensation Committee of the Employer's Board of Directors shall determine such amounts by averaging cumulative increases and returns on a look-back or look-forward basis. The Employer shall pay Executive an additional cash amount as a tax gross-up upon each vesting date equal to 40% of the value of the shares included in Executive's taxable income on such date. Executive will receive the full cash dividends attributable to all nonforfeited shares of restricted stock, regardless of whether such shares have become vested on the record date for such dividends.

(e) EXPENSES. Executive shall be reimbursed for all reasonable business related expenses incurred by Executive at the request of or on behalf of the Employer, provided that such expenses are incurred and accounted for in accordance with the policies and procedures established by the Employer.

(f) MEDICAL INSURANCE. During the Employment Period, Executive and Executive's immediate family shall be entitled to participate in such medical benefit plan as the Employer shall maintain from time to time for the benefit of senior executive officers of the Employer and their families, on the terms and subject to the conditions set forth in such plan. Nothing in this section shall limit the Employer's right to change or modify or terminate any benefit plan or program as it sees fit from time to time in the normal course of business so long as it does so for all senior executives of the Employer.

(g) VACATIONS. Executive shall be entitled to reasonable paid vacations in accordance with the then regular procedures of the Employer governing senior executive officers.

(h) OTHER BENEFITS. During the Employment Period, the Employer shall provide to Executive such other benefits, including disability insurance, sick leave and the right to participate in such retirement or pension plans, as are made generally available to senior executive officers and employees of the Employer from time to time.

4. INDEMNIFICATION AND LIABILITY INSURANCE. Executive hereby warrants that his execution of this Agreement, and performance of duties hereunder, does not constitute the breach of any other executed contract to which Executive may be a party, and does not constitute the breach of any restrictive covenant by which Executive may be bound. The Employer agrees to indemnify Executive to the extent permitted by applicable law from and against any and all losses, damages, claims, liabilities and expenses for which such indemnified party has not

3

otherwise been reimbursed (including the costs and expenses of legal counsel retained by the Employer to defend the Executive and judgments, fines and amounts paid in settlement actually and reasonably incurred by or imposed on such indemnified party) with respect to any actions commenced against Executive either with regard to his entering this Agreement with the Employer or in his capacity as an officer or director, or former officer or director, of the Employer or any affiliate thereof for which he may serve in such capacity. The Employer also agrees to secure and maintain officers and directors liability insurance providing coverage for Executive.

5. EMPLOYER'S POLICIES. Executive agrees to observe and comply with the reasonable rules and regulations of the Employer as adopted by its Board of Directors from time to time regarding the performance of his duties and to carry out and perform orders, directions and policies communicated to him from time to time by the Employer's Board of Directors.

6. TERMINATION. The Executive's employment hereunder may be terminated under the following circumstances:

(a) Termination by the Employer.

(i) DEATH. The Executive's employment hereunder shall terminate upon his death.

(ii) DISABILITY. If, as a result of the Executive's incapacity due to physical or mental illness or disability, the Executive shall

have been incapable of performing his duties hereunder even with a reasonable accommodation on a full-time basis for the entire period of four consecutive months or any 120 days in a 180-day period, and within 30 days after written Notice of Termination (as defined in Section 6(c)) is given he shall not have returned to the performance of his duties hereunder on a full-time basis, the Employer may terminate Executive's employment hereunder.

(iii) CAUSE. The Employer may terminate Executive's employment hereunder for Cause. For purposes of the Agreement, "Cause" shall mean that: (i) Executive engaged in conduct which is a felony under the laws of the United States or any state or political subdivision thereof; (ii) Executive engaged in conduct constituting a material breach of fiduciary duty, gross negligence or willful and material misconduct relating to the Employer, material fraud or willful and material misrepresentation relating to the business of the Employer; (iii) Executive materially breached his obligations or covenants under Section 8(a) of this Agreement; or (iv) Executive failed to perform his duties hereunder in a manner and at a level consistent with his position and past performance after receiving notice from the Employer specifically identifying the manner in which Executive has failed to perform (it being understood that, for this purpose, the manner and level of Executive's performance shall not be determined based on the financial performance of the Employer).

4

(iv) WITHOUT CAUSE. Executive's employment hereunder may be terminated by the Employer at any time with or without Cause (as defined in Section 6(a)(iii) above), by a majority vote of all of the members of the Board of Directors of the Employer upon written notice to Executive, subject only to the severance provisions specifically set forth in Section 7.

(b) Termination by the Executive.

(i) DISABILITY. The Executive may terminate his employment hereunder for Disability within the meaning of Section 6(a)(ii) above.

(ii) WITH GOOD REASON. Executive's employment hereunder may be terminated by Executive with Good Reason effective immediately by written notice to the Board of Directors of the Employer. For purposes of this Agreement, with "Good Reason" shall mean: (i) a failure by the Employer to comply with the provisions of Section 3; (ii) a material breach by the Employer of any other provision of this Agreement which has not been cured within 30 days after notice of noncompliance (specifying the nature of the noncompliance) has been given by the Executive to the Employer; or (iii) a Force Out upon or following a Change-in-Control (as such terms are defined in Section 6(c) below).

(iii) NOTICE OF TERMINATION. Any termination of the Executive's employment by the Employer or by the Executive (other than termination pursuant to subsection (a)(i) hereof) shall be communicated by written Notice of Termination to the other party hereto in accordance with Section 10 of this Agreement. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon and, as applicable, shall set forth in reasonable detail the fact and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated.

(c) DEFINITIONS. The following terms shall be defined as set forth below.

(i) A "Change-in-Control" shall be deemed to have occurred if:

(A) any Person, together with all "affiliates" and "associates" (as such terms are defined in Rule 12b-2 under the Securities Exchange Act of 1934 (the "Exchange Act")) of such Person, shall become the "beneficial owner" (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Employer representing 40% or more of either (A) the combined voting power of the Employer's then outstanding securities having the right to vote in an election of the Employer's Board of Directors ("Voting Securities") or (B) the then outstanding shares of all classes of stock of the Employer (in

5

either such case other than as a result of the acquisition of securities directly from the Employer); or

(B) individuals who constitute the Employer's Board of Directors (the "Incumbent Directors") cease for any reason, including, without limitation, as a result of a tender offer, proxy contest, merger or similar transaction, to constitute at least a majority of the Employer's Board of Directors, provided that any person becoming a director of the Employer whose election or nomination for election was approved by a vote of at least a majority of the Incumbent Directors shall, for purposes of this Agreement, be considered an Incumbent Director; or

(C) the stockholders of the Employer shall approve (1) any consolidation or merger of the Employer or any subsidiary where the stockholders of the Employer, immediately prior to the

consolidation or merger, would not, immediately after the consolidation or merger, beneficially own (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, shares representing in the aggregate at least 50% of the voting shares of the corporation issuing cash or securities in the consolidation or merger (or of its ultimate parent corporation, if any), (2) any sale, lease, exchange or other transfer (in one transaction or a series of transactions contemplated or arranged by any party as a single plan) of all or substantially all of the assets of the Employer or (3) any plan or proposal for the liquidation or dissolution of the Employer;

Notwithstanding the foregoing, a "Change-in-Control" shall not be deemed to have occurred for purposes of the foregoing clause (A) solely as the result of an acquisition of securities by the Employer which, by reducing the number of shares of stock or other Voting Securities outstanding, increases (x) the proportionate number of shares of stock of the Employer beneficially owned by any Person to 40% or more of the shares of stock then outstanding or (y) the proportionate voting power represented by the Voting Securities beneficially owned by any Person to 40% or more of the combined voting power of all then outstanding Voting Securities; PROVIDED, HOWEVER, that if any Person referred to in clause (x) or (y) of this sentence shall thereafter become the beneficial owner of any additional stock of the Employer or other Voting Securities (other than pursuant to a share split, stock dividend, or similar transaction), then a "Change-in-Control" shall be deemed to have occurred for purposes of the foregoing clause (A). In addition, notwithstanding the foregoing, a "Change-in-Control" shall not be deemed to have occurred if Stephen L. Green continues to serve as Chairman of the Board of Directors or the equivalent of the surviving entity of any event listed in the foregoing clause (A), (B) or (C) and no Force Out (as defined below) has occurred with respect to the Executive.

6

(ii) A "Force Out" shall be deemed to have occurred in the event of a Change-in-Control together with or followed by:

(A) a change in duties, responsibilities, status or positions with the Employer that does not represent a promotion from or maintaining of Executive's duties, responsibilities, status or positions as in effect immediately prior to the Change-in-Control, or any removal of Executive from or any failure to reappoint or reelect Executive to such positions, except in connection with the termination of Executive's employment for Cause, disability, retirement, or death;

(B) a reduction by the Employer in Executive's Base Salary or bonus compensation as in effect immediately prior to the Change-in-Control;

(C) the failure by the Employer to continue in effect any of the benefit plans including, but not limited to stock option and equity awards, in which Executive is participating at the time of the Change-in-Control of the Employer (unless Executive is permitted to participate in any substitute benefit plan with substantially the same terms and to the same extent and with the same rights as Executive had with respect to the benefit plan that is discontinued) other than as a result of the normal expiration of any such benefit plan in accordance with its terms as in effect at the time of the Change-in-Control, or the taking of any action, or the failure to act, by the Employer which would adversely affect Executive's continued participation in any of such benefit plans on at least as favorable a basis to Executive as was the case on the date of the Change-in-Control or which would materially reduce Executive's benefits in the future under any of such benefit plans or deprive Executive of any material benefits enjoyed by Executive at the time of the Change-in-Control; PROVIDED, HOWEVER, that any such action or inaction on the part of the Employer, including any modification, cancellation or termination of any benefits plan, undertaken in order to maintain such plan in compliance with any federal, state or local law or regulation governing benefits plans, including, but not limited to, the Employment Retirement Income Security Act of 1974, shall not constitute a Force Out for the purposes of this Agreement;

(D) the Employer's requiring Executive to be based in an office located more than 25 miles from Manhattan, except for required travel relating to the Employer's business to an extent substantially consistent with the business travel obligations which Executive undertook on behalf of the Employer prior to the Change-in-Control; or

7

(E) the failure by the Employer to obtain from any successor to the Employer an agreement to be bound by this Agreement pursuant to Section 13 hereof.

(iii) "Person" shall have the meaning used in Sections 13(d) and 14(d) of the Exchange Act; provided however, that the term "Person" shall not include (A) Stephen L. Green or Nancy A. Peck, or (B) the Employer, any of its subsidiaries, or any trustee, fiduciary or other person or entity holding securities under any employee benefit plan of

the Employer or any of its subsidiaries.

7. COMPENSATION UPON TERMINATION OR DURING DISABILITY.

(a) TERMINATION WITHOUT CAUSE OR WITH GOOD REASON. If (i) Executive is terminated without Cause pursuant to Section 6(a)(iv) above, or (ii) Executive shall terminate his employment hereunder with Good Reason pursuant to Section (6)(b)(ii) above, then the Employment Period shall terminate as of the effective date set forth in the written notice of such termination (the "Termination Date") and Executive shall be entitled to the following benefits:

(i) The Employer shall continue to pay Executive's Base Salary (at the rate in effect on the date of his termination) and annual performance bonus (based on the amount paid for the immediately preceding year or, if the termination takes place prior to a bonus having been previously so paid, the sum of \$100,000) for the remaining term of the Employment Period after the date of Executive's termination, on the same periodic payment dates as payment would have been made to Executive had the Employment Period not been terminated for the remaining term of the Employment Period after the date of Executive's termination; PROVIDED, HOWEVER, that if such termination occurs upon or following a Change-in-Control, the Employer shall continue to pay Executive's Base Salary (at the rate in effect on the date of his termination) and annual performance bonus (based on the highest amount paid for the three preceding years or, if the termination takes place prior to a bonus having been previously so paid, the sum of \$100,000) for the remaining term of the Employment Period after the date of Executive's termination. It is expressly agreed that the Executive shall receive a bonus for each remaining year of this Agreement and that the bonus will be paid in a lump sum within thirty (30) days after the Executive's termination.

(ii) For the remaining term of the Employment Period, Executive shall continue to receive all benefits described in Section 3 existing on the date of termination, including, but not limited to, any bonuses or equity awards described in Section 3 of this Agreement, subject to the terms and conditions upon which such benefits may be offered. For purposes of the application of such benefits, Executive shall be treated as if he had remained in the employ of the Employer with a Base Salary at the rate in effect on the date of termination.

8

(iii) Any unvested shares of restricted stock granted to the Executive by the Employer shall become vested on the date of the Executive's termination.

(iv) If Executive obtains other employment, or receives any wages for services rendered to any person or entity during the remaining term of Employment Period after the date of Executive's termination, the payments due under Section 7(a)(i) will be reduced by the amount of such wages. Executive shall give prompt notice to the Employer of any such employment undertaken or services rendered by him, which notice shall include a description of the wages he will receive, the date of receipt, and a copy of each relevant agreement or contract. Executive shall also give prompt notice to the Employer of any changes in such employment or wages.

(v) If in the opinion of tax counsel selected by the Executive and reasonably acceptable to the Employer, the Executive has or will receive any compensation (including without limitation as a result of the accelerated vesting of equity awards) or recognize any income (whether or not pursuant to this Agreement or any plan or other arrangement of the Employer and whether or not the Employment Period or the Executive's employment with the Employer has terminated) which will constitute an "excess parachute payment" within the meaning of Section 280G(b)(1) of the Internal Revenue Code (the "Code") (or for which a tax is otherwise payable under Section 4999 of the Code or any successor provision thereto), then the Employer shall pay the Executive an additional amount (the "Additional Amount") equal to the sum of (i) all taxes payable by the Executive under Section 4999 of the Code with respect to all such excess parachute payments and any such Additional Amount, plus (ii) all federal, state and local income taxes payable by Executive with respect to any such Additional Amount. Any amounts payable pursuant to this paragraph (v) shall be paid by the Employer to the Executive within 30 days of each written request therefor made by the Executive.

(b) TERMINATION FOR CAUSE OR WITHOUT GOOD REASON. If (i) Executive is terminated for Cause pursuant to Section 6(a)(iii)(i-iii) above, or (ii) Executive shall voluntarily terminate his employment hereunder without Good Reason pursuant to Section 6(b)(ii) above, then the Employment Period shall terminate as of the effective date set forth in the written notice of such termination (the "Termination Date") and Executive shall be entitled to receive only his Base Salary at the rate then in effect until the Termination Date and any outstanding stock options held by Executive shall expire in accordance with the terms of the stock option plan or option agreement under which the stock options were granted.

(c) TERMINATION BY REASON OF DEATH. If Executive's employment terminates due to his death, the Employer shall pay Executive's Base Salary plus any applicable pro rata portion of the annual performance bonus described in Section 3(c) above for a period

9

of six months from the date of his death, or such longer period as the Employer's Board of Directors may determine, to Executive's estate or to a beneficiary designated by Executive in writing prior to his death. If such death occurs during a vesting period, a pro rata portion of the unvested shares of restricted stock granted to the Executive that otherwise would have become vested upon the conclusion of such vesting period shall become vested on the date of the Executive's termination due to his death, and a pro rata portion of the unexercisable stock options granted to the Executive that otherwise would have become exercisable upon the conclusion of such vesting period shall become exercisable on the date of the Executive's termination due to such death. Furthermore, upon such death, any unexercised stock options granted to the Executive shall remain exercisable until the earlier of (A) the date on which the term of such stock options otherwise would have expired, or (B) the second January 1 after the date of the Executive's termination due to his death.

(d) TERMINATION BY REASON OF DISABILITY. In the event that Executive's employment terminates due to his disability as defined in Section 6(a)(ii) above, Executive shall be entitled to be paid his Base Salary plus any applicable pro rata portion of the annual performance bonus described in Section 3(c) above for a period of six months from the date of such termination, or for such longer period as such benefits are then provided with respect to other senior executives of the Employer. If such disability occurs during a vesting period, a pro rata portion of the unvested shares of restricted stock granted to the Executive that otherwise would have become vested upon the conclusion of such vesting period shall become vested on the date of the Executive's termination due to his disability, and a pro rata portion of the unexercisable stock options granted to the Executive that otherwise would have become exercisable upon the conclusion of such vesting period shall become exercisable on the date of the Executive's termination due to such disability. Furthermore, upon such disability, any unexercised stock options granted to the Executive shall remain exercisable until the earlier of (A) the date on which the term of such stock options otherwise would have expired, or (B) the second January 1 after the date of the Executive's termination due to his disability.

(e) ARBITRATION IN THE EVENT OF A DISPUTE REGARDING THE NATURE OF TERMINATION. In the event that the Executive's employment is terminated by the Employer for Cause or by Executive for Good Reason, and Executive contends that such Cause or Good Reason did not exist, the parties agree to submit such claim to arbitration before the American Arbitration Association ("AAA"), and Executive and Employer hereby agrees to submit to any such dispute to arbitration pursuant to the terms of this Section 7(e). In such a proceeding, the only issue before the arbitrator will be whether Executive's employment was in fact terminated for Cause or for Good Reason, as the case may be. If the arbitrator determines that Executive's employment was terminated by the Employer without Cause or was terminated by Executive for Good Reason, the only remedy that the arbitrator may award is an amount equal to the severance payments specified in Section 7, the costs of arbitration, and Executive's attorneys' fees. If the arbitrator finds that Executive's employment was terminated by the Employer for Cause

10

or by the Executive without Good Reason, the arbitrator will be without authority to award Executive anything, and the parties will each be responsible for their own attorneys' fees, and the costs of arbitration will be paid 50% by Executive and 50% by the Employer.

8. CONFIDENTIALITY; PROHIBITED ACTIVITIES. The Executive and the Employer recognize that due to the nature of his employment and relationship with the Employer, the Executive has access to and develops confidential business information, proprietary information, and trade secrets relating to the business and operations of the Employer. The Executive acknowledges that such information is valuable to the business of the Employer, and that disclosure to, or use for the benefit of, any person or entity other than the Employer, would cause irreparable damage to the Employer. The Executive further acknowledges that his duties for the Employer include the duty to develop and maintain client, customer, employee, and other business relationships on behalf of the Employer; and that access to and development of those close business relationships for the Employer render his services special, unique and extraordinary. In recognition that the good will and business relationships described herein are valuable to the Employer, and that loss of or damage to those relationships would destroy or diminish the value of the Employer, the Executive agrees as follows:

(a) CONFIDENTIALITY. During the term of this Agreement (including any renewals), and at all times thereafter, the Executive shall maintain the confidentiality of all confidential or proprietary information of the Employer ("Confidential Information"), and, except in furtherance of the business of the Employer or as specifically required by law or by court order, he shall not directly or indirectly disclose any such information to any person or entity; nor shall he use Confidential Information for any purpose except for the benefit of the Employer. For purposes of the Agreement, "Confidential Information" includes, without limitation: client or customer lists, identities, contacts, business and financial information (excluding those of Executive prior to employment with Employer); investment strategies; pricing information or policies, fees or commission arrangements of the Employer; marketing plans, projections, presentations or strategies of the Employer; financial and budget information of the Employer; new personnel acquisition plans; and all other business related information which has not been publicly disclosed by the Employer. This restriction shall apply regardless of whether such Confidential Information is in written, graphic, recorded, photographic, data or any machine readable form or is orally conveyed to, or memorized by, the Executive.

(b) PROHIBITED ACTIVITIES. Because Executive's services to the Employer are essential and because Executive has access to the Employer's Confidential Information, Executive covenants and agrees that:

(i) (A) during the Employment Period, and (B) in the event that this Agreement is terminated (I) by the Employer for Cause or (II) by the Executive for any reason other than death, disability, Good Reason or the expiration of the term of the Agreement, Executive will not, without the prior written consent of

11

the Board of Directors of the Employer which shall include the unanimous consent of the Directors who are not officers of the Employer, directly or indirectly (individually, or through or on behalf of another entity as owner, partner, agent, employee, consultant, or in any other capacity), during the Noncompetition Period, solicit or accept any offer or grant of employment in the greater New York metropolitan area, whether as an owner, partner, employee, consultant, director, officer, trustee or agent, (it being understood that the restrictions regarding such activities shall not apply with respect to any termination of this Agreement by the Executive upon or after the occurrence of a Change-in-Control); and

(ii) during the Employment Period, and during the two-year period following the termination of the Executive by either party for any reason (including the expiration of the term of the Agreement), Executive will not, without the prior written consent of the Board of Directors of the Employer which shall include the unanimous consent of the Directors who are not officers of the Employer, directly or indirectly (individually, or through or on behalf of another entity as owner, partner, agent, employee, consultant, or in any other capacity), solicit, encourage, or engage in any activity to induce any Employee of the Employer to terminate employment with the Employer, or to become employed by, or to enter into a business relationship with, any other person or entity. For purposes of this subsection, the term Employee means any individual who is an employee of or consultant to the Employer (or any affiliate) during the six-month period prior to Executive's last day of employment.

(c) NONCOMPETITION PERIOD. For purposes of this Section 8, the Noncompetition Period shall mean the period commencing on the date of termination of Executive's employment under this Agreement and ending on the earlier of (i) the date on which the term of this Agreement otherwise would have expired, or (ii) the first anniversary of the date of termination of Executive's employment under this Agreement.

(d) PASSIVE INVESTMENTS. During the term of Employment Period, notwithstanding anything contained herein to the contrary, Executive is not prohibited by this Section 8 from making investments in any entity that engages, directly or indirectly, in the acquisition, development, construction, operation, management, financing or leasing of office real estate properties, regardless of where they are located if Executive's aggregate investment in such entity constitutes less than one percent (1%) of the equity ownership of such entity.

(e) EMPLOYER PROPERTY. The Executive acknowledges that all originals and copies of materials, records and documents generated by him or coming into his possession during his employment by the Employer are the sole property of the Employer ("Employer Property"). During his employment, and at all times thereafter, the Executive shall not remove, or cause to be removed, from the premises of the Employer,

12

copies of any record, file, memorandum, document, computer related information or equipment, or any other item relating to the business of the Employer, except in furtherance of his duties under the Agreement. When the Executive terminates his employment with the Employer, or upon request of the Employer at any time, the Executive shall promptly deliver to the Employer all originals and copies of Employer Property in his possession or control and shall not retain any originals or copies in any form.

(f) NO DISPARAGEMENT. For one year following termination of the Executive's employment for any reason, the Executive shall not intentionally disclose or cause to be disclosed any negative, adverse or derogatory comments or information about (i) the Employer and its parent, affiliates or subsidiaries, if any; (ii) any product or service provided by the Employer and its parent, affiliates or subsidiaries, if any; or (iii) the Employer's and its parent's, affiliates' or subsidiaries' prospects for the future. For one year following termination of the Executive's employment for any reason, the Employer shall not disclose or cause to be disclosed any negative, adverse or derogatory comments or information about the Executive. Nothing in this Section shall prohibit either the Employer or the Executive from testifying truthfully in a judicial or administrative proceeding in response to a subpoena.

(g) REMEDIES. The Executive declares that the foregoing limitations in Sections 8(a) through 8(f) above are reasonable and necessary for the adequate protection of the business and the goodwill of the Employer. In any restriction contained in this Section 8 shall be deemed to be invalid, illegal or unenforceable by reason of the extent, duration or scope thereof, or otherwise, then the court making such determination shall have the right to reduce such extent, duration, scope, or other provisions hereof to make the restriction consistent with applicable law, and in its reduced form such restriction shall then be enforceable in the manner

contemplated hereby. In the event that the Executive breaches any of the promises contained in this Section 8, the Executive acknowledges that the Employer's remedy at law for damages will be inadequate and that the Employer will be entitled to specific performance, a temporary restraining order or preliminary injunction to prevent the Executive's prospective or continuing breach and to maintain the status quo. The existence of this right to injunctive relief, or other equitable relief, or the Employer's exercise of any of these rights, shall not limit any other rights or remedies the Employer may have in law or in equity, including, without limitation, the right to arbitration contained in Section 7(c) hereof and the right to compensatory and monetary damages. In the event that a final non-appealable judgment is entered in favor of one of the parties, that party shall be reimbursed by the other party for all costs and attorneys' fees incurred by such party in such action. Executive hereby agrees to waive his right to a jury trial with respect to any action commenced to enforce the terms of this Agreement.

(h) TRANSITION. Regardless of the reason for his departure from the Employer, the Executive agrees that at Employer's sole costs and expense, for a period of not more

13

than thirty (30) days after termination of Executive, he shall take all steps reasonably requested by the Employer to effect a successful transition of client and customer relationships to the person or persons designated by the Employer, and a transition of the systems, controls, reporting processes, programs and other operational components within Executive's position.

(i) COOPERATION WITH RESPECT TO LITIGATION. During the Employment period and at all times thereafter, Executive agrees to give prompt written notice to the Employer of any claim relating to the Employer and to cooperate fully, in good faith and to the best of his ability with the Employer in connection with any and all pending, potential or future claims, investigations or actions which directly or indirectly relate to any action, event or activity about which Executive may have knowledge in connection with or as a result of his employment by the Employer hereunder. Such cooperation will include all assistance that the Employer, its counsel or its representatives may reasonably request, including reviewing documents, meeting with counsel, providing factual information and material, and appearing or testifying as a witness; provided, however, that the Employer will reimburse Executive for all reasonable expenses, including travel, lodging and meals, incurred by him in fulfilling his obligations under this Section 8(i) and, except as may be required by law or by court order, should Executive then be employed by an entity other than the Employer, such cooperation will not materially interfere with Executive's then current employment.

(j) SURVIVAL. The provisions of this Section 8(a) shall survive termination of the Executive's employment and those of Section 8(b) shall survive for the periods specified therein following termination. The covenants contained in Section 8 shall be construed as independent of any of other provisions contained in this Agreement and shall be enforceable regardless of whether the Executive has a claim against the Employer under the Agreement or otherwise.

9. CONFLICTING AGREEMENTS. Executive hereby represents and warrants that the execution of this Agreement and the performance of his obligations hereunder will not breach or be in conflict with any other agreement to which he is a party or is bound, and that he is not now subject to any covenants against competition or similar covenants which would affect the performance of his obligations hereunder.

10. NOTICES. All notices or other communications required or permitted to be given hereunder shall be in writing and shall be delivered by hand and or sent by prepaid telex, cable or other electronic devices or sent, postage prepaid, by registered or certified mail or telecopy or overnight courier service and shall be deemed given when so delivered by hand, telexed, cabled or telecopied, or if mailed, three days after mailing (one business day in the case of express mail or overnight courier service), as follows:

(a) if to the Executive:

Thomas E. Wirth

14

(b) if to the Employer:

SL Green Realty Corp.
420 Lexington Avenue
New York, New York 10170
Attn: President

or such other address as either party may from time to time specify by written notice to the other party hereto.

11. AMENDMENTS. No amendment, modification or waiver in respect of this Agreement shall be effective unless it shall be in writing and signed by the party against whom such amendment, modification or waiver is sought.

12. SEVERABILITY. If any provision of this Agreement (or any portion thereof) or the application of any such provision (or any portion thereof) to any person or circumstances shall be held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision hereof (or the remaining portion hereof) or the application of such provision to any other persons or circumstances.

13. SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon and inure to the benefit of both parties and their respective successors and assigns, including any corporation with which or into which the Employer may be merged or which may succeed to its assets or business, PROVIDED, HOWEVER, that the obligations of the Employee are personal and shall not be assigned by him. This Agreement shall inure to the benefit of and be enforceable by the Executive's personal and legal representatives, executors, administrators, assigns, heirs, distributees, devisees and legatees.

14. COUNTERPARTS. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more such counterparts have been signed by each of the parties and delivered to the other party.

15. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to agreements made and to be performed entirely within such State, without regard to the conflicts of law principles of such State.

16. CHOICE OF VENUE. Executive agrees to submit to the jurisdiction of the United States District Court for the Southern District of New York or the Supreme Court of the State of

15

New York, New York County, for the purpose of any action to enforce any of the terms of this Agreement.

17. ENTIRE AGREEMENT. This Agreement contains the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings relating to such subject matter. The parties hereto shall not be liable or bound to any other party in any manner by any representations, warranties or covenants relating to such subject matter except as specifically set forth herein.

18. PARAGRAPH HEADINGS. Paragraph headings used in this Agreement are included for convenience of reference only and will not affect the meaning of any provision of this agreement.

19. BOARD APPROVAL. Employer represents that its Board of Directors has approved, or will approve, the economic terms of this Agreement.

IN WITNESS WHEREOF, this Agreement is entered into as of the date and year first above written.

SL GREEN REALTY CORP.

By:

Name: Stephen L. Green
Title: Chairman

Thomas E. Wirth

16

REVOLVING SECURED CREDIT AND GUARANTY AGREEMENT

among

SL GREEN OPERATING PARTNERSHIP, L. P.,

As Borrower,

SL GREEN REALTY CORP.

AND ITS SUBSIDIARIES PARTY HERETO,

As Guarantors,

THE LENDERS PARTY HERETO,

As Lenders,

FLEET NATIONAL BANK,

As Administrative Agent for the Lenders

and As Collateral Agent for the Secured Parties,

FIRST UNION NATIONAL BANK,

As Syndication Agent for the Lenders,

SOVEREIGN BANK,

As Documentation Agent for the Lenders,

FLEET SECURITIES, INC. and

FIRST UNION SECURITIES, INC.,

As Co-Arrangers

Effective Date: December 20, 2001

TABLE OF CONTENTS

Page ---- Section 1. DEFINITIONS AND RULES OF INTERPRETATION.....1 Section 1.1. Definitions.....1 Section 1.2. Rules of Interpretation.....18 Section 2. REVOLVING SECURED CREDIT FACILITY.....19 Section 2.1. Commitment to Lend; Limitation on Total Commitment.....19 Section 2.2. Changes in Total Commitment.....19 Section 2.3. The Notes.....19 Section 2.4. Interest on Loans.....20 Section 2.5. Requests for Loans.....20 Section 2.6. Conversion Options.....21 Section 2.7. Funds for Loans.....22 Section 2.8. Extension of Maturity Date.....22 Section 3. REPAYMENT OF THE LOANS.....23 Section 3.1. Maturity.....23 Section 3.2. Mandatory Repayments of Loan.....23 Section 3.3. Optional Repayments of Loans.....23 Section 4. CERTAIN GENERAL PROVISIONS.....25 Section 4.1. Fees.....25 Section 4.2. Commitment Fee.....25 Section 4.3. Funds for Payments.....25 Section 4.4. Computations.....26 Section 4.5. Additional Costs, Etc.....26 Section 4.6. Adequacy.....27 Section 4.7. Certificate.....27 Section 4.8.

Indemnity.....	Section 4.9. Interest on Overdue.....	27
Amounts.....	Inability to Determine LIBOR.....	28 Section 4.10.
Rate.....	.....	28 Section 4.11.
Illegality.....	Section 4.12. Replacement of.....	28
Lenders.....	STRUCTURED FINANCE COLLATERAL ASSETS; NO LIMITATION ON.....	28 Section 5.
RECURSE.....	Assets.....	29 Section 5.1. Structured Finance Collateral
Assets.....	Requisite Lenders.....	29 Section 5.2. Waivers by
Requisite Lenders.....	5.3. Rejection of Structured Finance Collateral.....	29 Section
Assets.....	.....	29 Section 5.4. Change in
Circumstances.....	5.5. No Limitation on.....	30 Section
Recourse.....	Additional.....	30 Section 5.6.
Guarantors.....	6. REPRESENTATIONS AND.....	30 Section
WARRANTIES.....	.....	30

Etc.....	Page ---- Section 6.1. Authority;.....	30 Section
Approvals.....	6.2. Governmental.....	32 Section
Properties.....	6.3. Title to.....	32 Section
Statements.....	6.4. Financial.....	32 Section
Etc.....	6.5. No Material Changes,.....	33 Section 6.6.
Etc.....	Franchises, Patents, Copyrights,.....	33 Section 6.7.
Litigation.....	Section 6.8. No Materially Adverse Contracts,.....	33
Etc.....	.....	33 Section 6.9. Compliance With
Other Instruments, Laws, Etc.....	.....	33 Section 6.10.
Status.....	Tax.....	33
Section 6.11. Event of Default. No Default or Event of Default has occurred and is continuing hereunder.....	.....	34 Section 6.12. Investment Company
Act.....	Absence of Financing Statements,.....	34 Section 6.13.
Etc.....	.....	34 Section 6.14. Status of the
Company.....	6.15. Certain.....	34 Section
Transactions.....	Section 6.16. Benefit Plans; Multiemployer Plans; Guaranteed Pension.....	34
Plans.....	Plans.....	34 Section 6.17. Regulations U and
X.....	.....	34 Section 6.18.
Compliance.....	Environmental.....	35 Section
Affiliates.....	6.19. Subsidiaries and.....	36 Section 6.20.
Documents.....	Loan.....	36
Indebtedness.....	Section 6.22.....	36
BORROWER.....	Section 7. AFFIRMATIVE COVENANTS OF THE.....	38 Section 7.1. Punctual
Payment.....	.....	38 Section
Office.....	7.2. Maintenance of.....	38 Section 7.3.
Accounts.....	Records and.....	38 Section
Information.....	7.4. Financial Statements, Certificates and.....	38 Section 7.5.
Notices.....	.....	40
Insurance.....	Section 7.6. Existence; Maintenance of REIT Status; Maintenance of.....	41 Section 7.7.
Taxes.....	Properties.....	41
Books.....	Section 7.8.....	41
with Laws, Contracts, Licenses, and Permits.....	.....	42 Section 7.9. Inspection of Properties and
Proceeds.....	.....	42 Section
Transactions.....	7.11. Use of.....	42 Section
Assurance.....	Section 7.13. Notices of Significant.....	43 Section 7.14. Further
Indemnification.....	.....	43
Actions.....	Section 7.15. Environmental.....	43 Section
Plans.....	7.16. Response.....	43 Section
Contracts.....	7.17. Employee Benefit.....	43 Section 7.18.
Equity Contracts.....	Required Interest Rate.....	44 Section 7.19. Forward
BORROWER.....	.....	44
Omitted.....	Section 8. CERTAIN NEGATIVE COVENANTS OF THE.....	45 Section 8.1. Intentionally
.....	.....	45 Section 8.2.

-ii-

Page ----	Section 8.3. Merger, Consolidation and Other Fundamental Changes.....	47	Section 8.4. Sale of Collateral.....	47
	8.5. Compliance with Environmental Laws.....	47	Section 8.6. Distributions.....	47
	Section 8.7. Preferred Distributions.....	48	Section 8.8. Preferred Redemptions.....	48
	Section 9. FINANCIAL COVENANTS OF THE BORROWER.....	48	Section 9.2. Minimum Debt Service Coverage.....	48
	Section 9.3. Total Debt to Total Assets.....	48	Section 9.4. Minimum Tangible Net Worth.....	48
	Section 9.5. Adjusted EBITDA to Fixed Charges.....	48	Section 9.6. Aggregate Occupancy Rate.....	48
	Section 9.7. Value of All Unencumbered Assets.....	48	Section 9.8. Amendments and Modifications to Section 9.....	48
	Section 10. CONDITIONS TO EFFECTIVENESS.....	49	Section 10.1. Loan Documents.....	49
	Section 10.2. Certified Copies of Organization Documents; Good Standing Certificates.....	49	Section 10.3. By-laws; Resolutions.....	49
	Section 10.4. Incumbency Certificate; Authorized Signers.....	49	Section 10.5. Title Insurance; Lien Searches.....	50
	Section 10.6. Opinions of Counsel Concerning Organization, Loan Documents and Collateral.....	50	Section 10.7. Payment of Fees.....	50
	Section 10.8. Pledge and Security Agreement and other Collateral Documents.....	50	Section 11. CONDITIONS TO ALL CREDIT ADVANCES.....	50
	Section 11.1. Representations True; No Event of Default; Compliance Certificate.....	50	Section 11.2. No Legal Impediment.....	51
	Section 11.3. Proceedings and Documents.....	51	Section 12. EVENTS OF DEFAULT; ACCELERATION; ETC.....	51
	Section 12.1. Events of Default and Acceleration.....	51	Section 12.2. Termination of Commitments.....	54
	Section 12.3. Remedies.....	54	Section 12.4. Distribution of Enforcement Proceeds.....	54
	Section 13. SETOFF.....	55	Section 14. THE AGENT.....	55
	Section 14.1. Authorization.....	55	Section 14.2. Employees and Agents.....	56
	Section 14.3. No Liability to Lenders.....	56	Section 14.4. No Representations.....	56
	Section 14.5. Payments.....	56		

-iii-

Page ----	Section 14.6. Holders of Notes.....	57	Section 14.7. Indemnity.....	58
	Section 14.8. Agent as Lender.....	58	Section 14.9. Resignation.....	58
	Section 14.10. Notification of Defaults and Events of Default and other Notices.....	58	Section 14.11. Duties in the Case of Enforcement.....	58
	Section 14.12. Mandatory Resignation of Agent.....	59	Section 14.13. Matters as to Borrower.....	59
	Section 14.14. Concerning the Collateral and the Collateral Documents.....	59	Section 16. INDEMNIFICATION.....	61
	Section 17. SURVIVAL OF COVENANTS, ETC.....	62	Section 18. GUARANTY.....	62
	Section 18.1. Guaranty.....	62	Section 18.2. Obligations Unconditional.....	63
	Section 18.3. Modifications.....	63	Section 18.4. Waiver of	

Rights.....	18.5.	64	Section
Reinstatement.....	Section 18.6.	64	
Remedies.....	Section 18.7. Limitation of	64	
Guaranty.....		64	Section 18.8.
Release of Guaranty.....		65	
ETC.....	Section 19. ASSIGNMENT; PARTICIPATIONS;	65	Section 19.1. Conditions
to Assignment by Lenders.....		65	Section 19.2.
Certain Representations and Warranties; Limitations; Covenants.....	Section 19.3.	65	
Register.....		66	
Notes.....	Section 19.4. New	66	
Participations.....	Section 19.5.	67	
Lender.....	Section 19.6. Pledge by	67	Section
Borrower.....	19.7. No Assignment by	67	Section 19.8.
Disclosure.....		68	
ETC.....	Section 20. NOTICES,	68	Section
HEADINGS.....	22.	69	
COUNTERPARTS.....	Section 23.	69	
AGREEMENT.....	Section 24. ENTIRE	69	
CLAIMS.....	Section 25. WAIVER OF JURY TRIAL AND CERTAIN DAMAGE	69	Section 26. CONSENTS, AMENDMENTS,
SEVERABILITY.....	WAIVERS, ETC.....	70	Section 27.
		70	

-iv-

ACKNOWLEDGMENTS.....	Page ---- Section 28.	70
LIMITATION.....	Section 29. USURY	71
NOTES.....	Section 30. REPLACEMENT OF LOST	71

-v-

Exhibit A	Form of Note
Exhibit B	Form of Loan Request
Exhibit C	Form of Compliance Certificate
Exhibit D	Form of Pledge and Security Agreement
Exhibit E	Form of Assignment and Acceptance
Schedule 1	Lenders; Domestic and LIBOR Lending Offices
Schedule 1.1	Structured Finance Collateral Assets
Schedule 1.2	Commitments and Commitment Percentages
Schedule 1.3	Related Companies, Unconsolidated Entities and Guarantors
Schedule 1.4.	[INTENTIONALLY OMITTED]
Schedule 6.3	Title to Properties
Schedule 6.7	Litigation
Schedule 6.15	Insider Transactions
Schedule 6.16	Employee Benefit Plans
Schedule 6.18	Environmental Matters
Schedule 6.19	Company Assets
Schedule 6.21	Building Structural Defects, etc.
Schedule 6.22	Indebtedness
Schedule 8.2(d)	Investments

-vi-

CREDIT AGREEMENT

This REVOLVING SECURED CREDIT AND GUARANTY AGREEMENT is made as of the 20(th) day of December, 2001, by and among (i) SL GREEN OPERATING PARTNERSHIP, L.P., a Delaware limited partnership (the "Borrower"), (ii) SL GREEN REALTY CORP., a Maryland corporation (the "Company", and a "Guarantor", as such term is defined herein), (iii) each of the direct and indirect Subsidiaries of the Borrower or the Company that is a signatory hereto under the caption "Guarantors" on the signature pages hereto or from time to time hereafter as a "Guarantor", (iv) each of the financial institutions that is a signatory hereto under the caption "Lenders" on the signature pages hereto or that, pursuant to Section 19 hereof, shall become a "Lender" (individually, a "Lender" and, collectively, the "Lenders"), (v) FLEET NATIONAL BANK, a national banking association, as administrative agent for the Lenders hereunder and as collateral agent for the Secured Parties under the Collateral Documents (in such capacities, the "Agent"), (vi) FIRST UNION NATIONAL BANK, as syndication agent for the Lenders hereunder, and (vii) SOVEREIGN BANK, as documentation agent for the Lenders hereunder.

WHEREAS, the Borrower has requested that the Lenders provide a secured revolving credit facility in the maximum amount of \$75,000,000 (the "Facility") to the Borrower and the Lenders have agreed to provide such Facility subject to the terms and conditions set forth herein;

NOW, THEREFORE, to accomplish these purposes, the Agent, the Borrower, the Guarantors and the Lenders hereby agree as follows:

Section 1. DEFINITIONS AND RULES OF INTERPRETATION

Section 1.1. Definitions. The following terms shall have the meanings set forth in this Section 1 or elsewhere in the provisions of this Agreement referred to below:

Adjusted EBITDA. For any Person for any period, EBITDA minus (i) Minimum Capital Expenditure Reserves and (ii) straight line rent adjustments for the applicable period.

Adjusted Net Operating Income. For any Real Estate Asset, as of any date of determination, Net Operating Income for the three (3) month period immediately preceding the date of determination, minus Minimum Capital Expenditures Reserves for such period, and minus the Minimum Management Fees for such period; provided, however, that for any Real Estate Asset acquired less than three (3) months prior to such date of determination, such Real Estate Asset's Net Operating Income shall be its pro forma Net Operating Income (as approved by the Agent) for the entire fiscal quarter in which acquired.

Adjusted Unsecured Debt. The sum of Unsecured Indebtedness plus any Obligations outstanding, whether principal, interest, fees or otherwise.

Adjusted Unencumbered Asset Value. When determined as of the end of any fiscal quarter, the sum of (i) the Value of all Unencumbered Assets plus (ii) 75% of the aggregate

amount of Structured Finance Collateral Asset Values for all Structured Finance Collateral Assets.

Affiliated Lenders. Any commercial bank or financial institution which is (i) the parent corporation of any of the Lenders, (ii) a wholly-owned subsidiary of any of the Lenders or (iii) a wholly-owned subsidiary of the parent corporation of any of the Lenders.

Agent. Fleet National Bank acting in its capacities as sole administrative agent for the Lenders, or any successor administrative agent appointed pursuant to Section 14 hereof, and as collateral agent for the Secured Parties pursuant to the Collateral Documents, or any successor collateral agent appointed pursuant to Section 14 hereof.

Agent's Head Office. The Agent's head office located at 100 Federal Street, Boston, Massachusetts 02110, or at such other location in the United States as the Agent may designate from time to time.

Aggregate Occupancy Rate. With respect to the Unencumbered Assets at any time, the ratio, as of such date, expressed as a percentage, of (i) the summation of the amounts arrived at by multiplying (a) the Occupancy Rate of each Unencumbered Asset by (b) the net rentable area of such Unencumbered Asset, divided by (ii) the aggregate net rentable area of all such Unencumbered Assets.

Agreement. This Revolving Secured Credit and Guaranty Agreement, including the Schedules and Exhibits hereto.

Applicable LIBOR Margin. One hundred fifty (150) basis points.

Assignment and Acceptance. See Section 19.

Bankruptcy Code. Title 11 of the United States Code, 11 U.S.C. Sections 1101 et seq., as the same may be amended from time to time.

Base Rate. The higher of (a) the annual rate of interest announced from time to time by Fleet National Bank ("Fleet") at Fleet's Head Office in Boston, Massachusetts as its "base rate", and (b) one half of one percent (1/2%) above the overnight federal funds effective rate as published by the Board of Governors of the Federal Reserve System, as in effect from time to time.

Base Rate Loans. Those Loans bearing interest calculated by reference to the Base Rate.

Borrower. As defined in the preamble hereto.

Borrowing Date. The date on which any Loan is made or is to be made, and the date on which any Loan is converted or continued in accordance with Section 2.6.

Buildings. The buildings, structures and other improvements now or hereafter located on the Unencumbered Assets.

-2-

Business Day. Any day on which banking institutions in Boston, Massachusetts, are open for the transaction of banking business and, in the case of LIBOR Rate Loans, also a day which is a Eurodollar Business Day.

Capitalized Leases. Leases under which the discounted future rental payment obligations are required to be capitalized on the balance sheet of the Borrower in accordance with Generally Accepted Accounting Principles.

CERCLA. See Section 6.18.

Co-Arrangers. Fleet Securities, Inc. and Wachovia Securities, Inc. or any

of the respective successors thereto.

Code. The Internal Revenue Code of 1986, as amended and in effect from time to time.

Collateral. "Collateral" as defined in the Pledge and Security Agreement, or as such term is defined in any other Collateral Document.

Collateral Documents. The Pledge and Security Agreement and any other documents executed and delivered by the Borrower or a Guarantor granting a lien on its property to secure payment of the Obligations.

Commitment. With respect to each Lender, the amount set forth from time to time on Schedule 1.2 hereto as the amount of such Lender's commitment to make Loans to the Borrower.

Commitment Percentage. With respect to each Lender, the percentage set forth from time to time on Schedule 1.2 hereto as such Lender's percentage of the Total Commitment.

Company. As defined in the preamble hereto.

Compliance Certificate. See Section 2.5(a).

Conversion Request. A notice given by the Borrower to the Agent of its election to convert or continue a Loan in accordance with Section 2.6.

Default. See Section 12.1.

Delinquent Lender. See Section 14.5(c).

Distribution. The declaration or payment of any dividend or distribution of cash or cash equivalents to the holders of common shares of beneficial interest in the Company or the holders of common units of limited partnership interest in the Borrower, or any distribution to any officer, employee or director of the Borrower or the Company, other than employee compensation consistent with past practices.

Dollars or \$. Dollars in lawful currency of the United States of America.

-3-

Domestic Lending Office. Initially, the office of each Lender designated as such in Schedule 1 hereto; thereafter, such other office of such Lender, if any, located within the United States that will be making or maintaining Base Rate Loans.

EBITDA. With respect to any Person for any period, earnings (or losses) before interest and taxes of such Person and its Subsidiaries for such period plus, to the extent deducted in computing such earnings (or losses) before interest (including, without limitation, the interest portion of payments made under Capitalized Leases) and taxes, depreciation and amortization expense and other non-cash charges, all as determined on a consolidated basis with respect to such Person and its Subsidiaries in accordance with Generally Accepted Accounting Principles; provided, however, EBITDA shall exclude earnings or losses resulting from (i) cumulative changes in accounting practices, (ii) discontinued operations, (iii) extraordinary items, (iv) net income or net losses of any entity acquired in a pooling of interest transaction for the period prior to the acquisition, (v) net income or net losses, before depreciation and amortization, of a Subsidiary that is unavailable to the Borrower or the Company, (vi) net income or net losses not readily convertible into Dollars or remittable to the United States, (vii) gains and losses from the sale of assets, and (viii) net income or net losses, before depreciation and amortization, from corporations, partnerships, associations, joint ventures or other entities in which the Borrower, the Company or a Related Company thereof has a minority interest and in which neither Borrower, the Company or the Related Companies has control, except to the extent actually received.

Effective Date. The date upon which this Agreement shall become effective pursuant to Section 10. Unless the Agent notifies the Borrower and the Lenders on the date hereof that some other date is the Effective Date, the Effective Date shall be the date set forth on the first page of this Agreement.

Eligible Assignee. Any of (a) a commercial bank organized under the laws of the United States, or any State thereof or the District of Columbia, and having total assets in excess of \$5,000,000,000; (b) a savings and loan association or savings bank organized under the laws of the United States, or any State thereof or the District of Columbia, and having a net worth of at least \$100,000,000, calculated in accordance with Generally Accepted Accounting Principles; (c) a commercial bank organized under the laws of any other country which is a member of the Organization for Economic Cooperation and Development (the "OECD"), and having total assets in excess of \$5,000,000,000, provided that such bank is acting through a branch or agency located in the country in which it is organized or another country which is also a member of the OECD; (d) the central bank of any country which is a member of the OECD; and (e) a finance company, insurance company or other financial institution (whether a corporation, partnership, trust or other entity) that is engaged in making, purchasing or otherwise investing in commercial loans in the ordinary course of its business and having total assets in excess of \$5,000,000,000. Notwithstanding anything to the contrary, the term Eligible Assignee shall exclude any Person controlling, controlled by or under common control with, the Borrower or the Company.

Employee Benefit Plan. Any employee benefit plan within the meaning of Section 3 (3) of ERISA currently maintained or contributed to by the Borrower or any ERISA Affiliate, other than a Multiemployer Plan.

-4-

Environmental Laws. See Section 6.18(a).

ERISA. The Employee Retirement Income Security Act of 1974, as amended and in effect from time to time.

ERISA Affiliate. Any Person which is treated as a single employer with the Borrower under Section 414(b) or (c) of the Code.

ERISA Event. Any of the following:

(i) a "reportable event" within the meaning of Section 4043 of ERISA and the regulations issued thereunder with respect to any Guaranteed Pension Plan (excluding those for which the provision for 30-day notice to the PBGC has been waived by regulation),

(ii) the failure to meet the minimum funding standard of Section 412 of the Code with respect to any Guaranteed Pension Plan (whether or not waived in accordance with Section 412(d) of the Code) or the failure to make by its due date a required installment under Section 412 (m) of the Code with respect to any Guaranteed Pension Plan or the failure to make by its due date any required contribution to a Multiemployer Plan,

(iii) the provision by the administrator of any Guaranteed Pension Plan pursuant to Section 4041(a)(2) of ERISA of a notice of intent to terminate such plan in a distress termination described in Section 4041(c) of ERISA,

(iv) the withdrawal by the Borrower or any of its ERISA Affiliates from any Guaranteed Pension Plan with two or more contributing sponsors or the termination of any such Guaranteed Pension Plan resulting in liability pursuant to Section 4063 or 4064 of ERISA in excess of \$5,000,000.00,

(v) the institution by the PBGC of proceedings to terminate any Guaranteed Pension Plan, or the occurrence of any event or condition which might reasonably be expected to constitute grounds under ERISA for the involuntary termination of, or the appointment of a trustee to administer, any Guaranteed Pension Plan,

(vi) the imposition of liability on the Borrower or any of its ERISA Affiliates in excess of \$5,000,000.00 pursuant to Section 4062(e) or 4069 of ERISA or by reason of the application of Section 4212(c) of ERISA,

(vii) the withdrawal by the Borrower or any of its ERISA Affiliates in a complete or partial withdrawal (within the meaning of Section 4203 and 4205 of ERISA) from any Multiemployer Plan if there is any potential liability therefor in excess of \$5,000,000.00, or the receipt by the Borrower or any of its ERISA Affiliates of notice from any Multiemployer Plan that it is in reorganization or insolvency pursuant to Section 4241 or 4245 of ERISA, or that it intends to terminate or has terminated under Section 4041A or 4042 of ERISA, if such event could reasonably be expected to result in liability being imposed on Borrower or any of its ERISA Affiliates in excess of \$5,000,000.00,

-5-

(viii) the occurrence of an act or omission which could give rise to the imposition on the Borrower or any of its ERISA Affiliates of fines, penalties, taxes or related charges under Chapter 43 of the Code or under Section 409 or 502(c), (i) or (1) or 4071 of ERISA in excess of \$5,000,000 in respect of any Employee Benefit Plan,

(ix) the assertion of a material claim (other than routine claims for benefits) against any Employee Benefit Plan other than a Multiemployer Plan or the assets thereof, or against the Borrower or any of its ERISA Affiliates in connection with any such Employee Benefit Plan,

(x) receipt from the Internal Revenue Service of notice of the failure of any Pension Plan (or any other Benefit Plan intended to be qualified under Section 401(a) of the Code) to qualify under Section 401(a) of the Code, or the failure of any trust forming part of any Guaranteed Pension Plan to qualify for exemption from taxation under Section 501(a) of the Code, or

(xi) the imposition of a Lien pursuant to Section 401(a)(29) or 412(n) of the Code or pursuant to ERISA with respect to any Guaranteed Pension Plan.

Eurocurrency Reserve Rate. For any day with respect to a LIBOR Rate Loan, the maximum rate (expressed as a decimal) at which any of the Lenders would be required to maintain reserves under Regulation D of the Board of Governors of the Federal Reserve System (or any successor or similar regulations relating to such reserve requirements) against "Eurocurrency Liabilities" (as that term is used in Regulation D), if such liabilities were outstanding. The Eurocurrency Reserve Rate shall be adjusted automatically on and as of the effective date of any change in the Eurocurrency Reserve Rate.

Eurodollar Business Day. Any day on which commercial banks are open for international business (including dealings in Dollar deposits) in London or such other eurodollar interbank market as may be selected by the Agent in its sole discretion acting in good faith.

Event of Default. See Section 12.1.

Existing Credit Facility. The \$300,000,000 unsecured credit facility established pursuant to the Revolving Credit and Guaranty Agreement dated June

27, 2000 among Borrower, Guarantors party thereto, lenders party thereto, Fleet National Bank, as Administrative Agent for the lenders party thereto, Salomon Smith Barney Inc., as Syndication Agent for the lenders party thereto, and Bankers Trust Company, as Documentation Agent for the lenders party thereto, as amended and modified by the First Amendment to Revolving Credit and Guaranty Agreement dated as of March 30, 2001, and as it may be further amended, modified or supplemented from time to time.

Extension Certification. See Section 2.8.

Extension Date. See Section 2.8.

Facility. The secured revolving line of credit facility provided to the Borrower pursuant to this Agreement.

-6-

Fixed Charges. With respect to any fiscal period of any Person, an amount equal to the sum of (i) Interest Expense, (ii) regularly scheduled installments of principal payable with respect to all Indebtedness of such Person, other than balloon payments of principal at maturity, (iii) scheduled cash lease payments or obligations with respect to Capitalized Leases of such Person plus (iv) in the cases of the Company and the Borrower, all dividend payments due to the holders of any preferred shares of beneficial interest of the Company and all distributions due to the holders of any preferred limited partnership interests in the Borrower.

Fixed Rate Prepayment Fee. See Section 3.3.

Forward Purchase Contract. With respect to any Person, a purchase agreement entered into by such Person for the fee or leasehold purchase of an office property to be constructed.

Funds From Operations. Consolidated net income (loss) of the Borrower and its Subsidiaries before extraordinary items, computed in accordance with Generally Accepted Accounting Principles, plus, to the extent deducted in determining net income (loss) and without duplication, (i) gains (or losses) from debt restructuring and sales of property (or adjustments to basis of properties or other assets), (ii) non-recurring charges, (iii) provisions for losses, (iv) real estate related depreciation, amortization and other non-cash charges (excluding amortization of financing costs), and (v) amortization of organizational expenses minus, to the extent included in net income (loss) and without duplication, (a) non-recurring income (loss) and (b) equity income (loss) from unconsolidated partnerships and joint ventures less the proportionate share of Funds From Operations of such partnerships and joint ventures, which adjustments shall be calculated on a consistent basis.

Generally Accepted Accounting Principles. Principles that are (a) consistent with the principles promulgated or adopted by the Financial Accounting Standards Board and its predecessors, as in effect from time to time in the United States and (b) consistently applied with past financial statements of the Borrower adopting the same principles; provided that a certified public accountant would, insofar as the use of such accounting principles is pertinent, be in a position to deliver an unqualified opinion (other than a qualification regarding changes in Generally Accepted Accounting Principles) as to financial statements in which such principles have been properly applied.

Ground Lease. A leasehold interest in land and/or the improvements thereon.

Guaranteed Pension Plan. Any employee pension benefit plan within the meaning of Section 3(2) of ERISA maintained or contributed to by the Borrower or any ERISA Affiliate the benefits of which are guaranteed on termination in full or in part by the PBGC pursuant to Title IV of ERISA, other than a Multiemployer Plan.

Guaranteed Obligations. Collectively,

(i) the payment, as and when due, or by stated maturity, acceleration, or otherwise, of the Notes and all other amounts due and payable under the other Loan Documents to the Agent and the Lenders at such times and in the manner provided for in the Loan Documents, including interest accruing from and after the date of the commencement of a bankruptcy case against the Borrower or a Guarantor, and

-7-

(ii) the payment of all other obligations of the Borrower under the Loan Documents that can be performed by the payment of monies, either to the Agent and the Lenders directly or by reimbursement of advances by them, including, without limitation, the payment of income and other taxes by the Borrower.

Guarantor. Each of the Company, any direct or indirect Subsidiary of the Borrower or the Company owning any interest in a Structured Finance Collateral Asset, and any other Subsidiaries of the Borrower or the Company which execute and deliver this Agreement as a Guarantor.

Guaranty. See Section 18.1.

Hazardous Materials. See Section 6.18(b).

Indebtedness. For any Person, without duplication, (i)(a) all indebtedness of such Person for borrowed money and (b) all obligations of such Person to pay a deferred purchase price for property or services, including, but not limited to, obligations under Forward Purchase Contracts, having met all conditions of repayment thereof but for the passage of time, (ii) all indebtedness of such

Person evidenced by a note, bond, debenture or similar instrument, (iii) the outstanding undrawn amount of all letters of credit issued for the account of such Person and, without duplication, all un-reimbursed amounts drawn thereunder, (iv) all indebtedness of any other person or entity secured by any Lien on any property owned by such Person, whether or not such indebtedness has been assumed, (v) indebtedness of others guaranteed by such Person (including, without limitation, indebtedness of a partnership for which such Person, if a general partner, would be liable as a matter of law or contractually), but only to the extent of the specific amount guaranteed as a matter of contract or law, provided that for purposes of this definition the term "guarantee" shall not include the guarantee of customary non-recourse carve-outs (including, but not limited to, claims for fraud, misrepresentation, or environmental law violations), (vi) all payment obligations of such Person under any Interest Rate Contracts and currency swaps and similar agreements, to the extent such liabilities are material and are reported or are required under Generally Accepted Accounting Principles to be reported by such Person in its financial statements, (vii) all indebtedness and liabilities of such Person secured by any Lien or mortgage on any property of such Person, whether or not the same would be classified as a liability on a balance sheet, (viii) the liability of such Person in respect of banker's acceptances and the estimated liability under any participating mortgage, convertible mortgage or similar arrangement, (ix) the aggregate principal amount of rentals or other consideration payable by such Person in accordance with Generally Accepted Accounting Principles over the remaining unexpired term of all Capitalized Leases of such Person, (x) all outstanding monetary judgments or decrees by a court or courts of competent jurisdiction entered against such Person, (xi) all convertible debt and subordinated debt owed by such Person, (xii) all preferred partnership interests and preferred stock issued by such Person that, in either case, are redeemable prior to the Maturity Date for cash on a mandatory basis, a cash equivalent, a note receivable or similar instrument or are convertible prior to the Maturity Date on a mandatory basis to Indebtedness as defined herein (other than Indebtedness described in clauses (iii), (ix), or (x) of this definition), (xiii) all customary trade payables and accrued expenses more than sixty (60) days past due, (xiv) expected amortization of tenant costs and leasing commissions over such Person's next twelve succeeding fiscal months, and (xv) all obligations, liabilities, reserves and any other items

-8-

which are listed as a liability on a balance sheet of such Person determined on a consolidated basis in accordance with Generally Accepted Accounting Principles, but excluding all general contingency reserves and reserves for deferred income taxes and investment credit, and excluding debt covered by escrows and security deposits fully funded by cash or cash equivalents.

Interest Expense. For any Person for any Period, with respect to all Indebtedness of such Person, an amount equal to the sum of the following with respect to all Indebtedness of such Person: (i) total interest expense, accrued in accordance with Generally Accepted Accounting Principles, plus (ii) all capitalized interest determined in accordance with Generally Accepted Accounting Principles, but only to the extent that such capitalized interest is not covered by an interest reserve established under a loan facility (such as capitalized construction interest provided for in a construction loan).

Interest Payment Date. As to any Base Rate Loan or LIBOR Rate Loan, the first day of each calendar month.

Interest Period. With respect to each Loan, (a) initially, the period commencing on the Borrowing Date of such Loan and ending on the last day of one of the periods set forth below, as selected by the Borrower in a Loan Request: (i) for any Base Rate Loan, the day on which such Base Rate Loan is paid in full or converted to a LIBOR Rate Loan; and (ii) for any LIBOR Rate Loan, 7 days (but only to the extent available in the Eurodollar market to all Lenders), 1, 2, or 3 months; and (b) thereafter, each period commencing on the last day of the next preceding Interest Period applicable to such Loan and ending on the last day of one of the periods set forth above, as selected by the Borrower in a Conversion Request; provided that all of the foregoing provisions relating to Interest Periods are subject to the following:

(A) if any Interest Period with respect to a LIBOR Rate Loan would otherwise end on a day that is not a Eurodollar Business Day, that Interest Period shall be extended to the next succeeding Eurodollar Business Day unless the result of such extension would be to carry such Interest Period into another calendar month, in which event such Interest Period shall end on the immediately preceding Eurodollar Business Day;

(B) if any Interest Period with respect to a Base Rate Loan would end on a day that is not a Business Day, that Interest Period shall end on the next succeeding Business Day;

(C) if the Borrower shall fail to give notice as provided in Section 2.6, the Borrower shall be deemed to have requested a conversion of the affected LIBOR Rate Loan to a Base Rate Loan on the last day of the then current Interest Period with respect thereto;

(D) any Interest Period relating to any LIBOR Rate Loan that begins on the last Eurodollar Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Eurodollar Business Day of a calendar month;

(E) no more than four (4) Interest Periods relating to LIBOR Rate Loans may be outstanding at any one time; and

-9-

(F) the Borrower may not select any Interest Period relating to any LIBOR Rate Loan that would extend beyond the Maturity Date.

Interest Rate Contracts. Interest rate swap, cap, collar or similar agreements providing for interest rate protection.

Investments. In any Person, any loan, advance, or extension of credit to or for the account of, any guaranty, endorsement (other than for collection in the ordinary course of business) or other direct or indirect contingent liability in connection with the obligations, capital interests or equity distributions of, any ownership, purchase or acquisition of any capital interests, business, assets, obligations or securities of, or any other interest in or capital contribution to, such Person.

Leases. Leases, licenses and agreements whether written or oral, relating to the use or occupation of space in the Buildings located on the Unencumbered Assets by persons other than the owner thereof.

Lenders. As defined in the preamble hereto.

LIBOR Lending Office. Initially, the office of each Lender designated as such in Schedule 1 hereto; thereafter, such other office of such Lender, if any, that shall be making or maintaining LIBOR Rate Loans.

LIBOR Rate. For any Interest Period with respect to a LIBOR Rate Loan, the rate per annum equal to the quotient (rounded upwards to the nearest 1/1000 of one percent) of (a) the rate per annum for deposits in Dollars in the London interbank market for a period equal in length to such Interest Period which appears on Telerate Page 3750 as of 11:00 a.m. (London, England time) two Eurodollar Business Days prior to the beginning of such Interest Period, divided by (b) a number equal to 1.00 minus the Eurocurrency Reserve Rate.

LIBOR Rate Loans. Loans bearing interest calculated by reference to the LIBOR Rate.

Lien. Any lien, encumbrance, mortgage, deed of trust, pledge, restriction or other security interest. If title to any Real Estate Asset is held by a Subsidiary of Borrower or an Unconsolidated Entity then any pledge or assignment of Borrower's stock, partnership interest, limited liability company interest or other ownership interest in such Subsidiary or Unconsolidated Entity shall be deemed to be a Lien on the Real Estate Assets owned by such Subsidiary or Unconsolidated Entity.

Loan Documents. This Agreement, the Notes, the Collateral Documents, and any and all other agreements, documents and instruments now or hereafter evidencing, securing or otherwise relating to the Loans.

Loan Request. See Section 2.5.

Loans. Loans made or to be made by the Lenders to the Borrower pursuant to Section 2.1 and Section 2.5.

-10-

Majority Lenders. As of any date, the Lenders whose aggregate Commitments constitute at least fifty-one percent (51%) of the Total Commitment provided that the Commitments of any Delinquent Lenders shall be disregarded when determining the Majority Lenders.

Material Adverse Effect. Any condition which has a material adverse effect on (i) the business, operations, properties, assets or condition (financial or otherwise) of the Borrower, the Company and any other Guarantors, taken as a whole, or (ii) the ability of the Borrower, the Company or any other Guarantor to perform its obligations under the Loan Documents, or (iii) the validity or enforceability of any of the Loan Documents or the remedies or material rights of the Agent or the Lenders thereunder.

Maturity Date. December 20, 2003, subject to extension pursuant to Section 2.8 hereof, or such earlier date on which the Loans shall become due and payable pursuant to the terms hereof.

Maximum Credit Amount. As of any date of determination, the lesser of

- (i) the Total Commitment and
- (ii) the sum of

(A) 50% of the aggregate Structured Finance Collateral Asset Values of all Structured Finance Collateral Assets that are 100% beneficially owned by the Borrower and/or any Guarantor plus

(B) the lesser of (x) \$37,500,000 and (y) 25% of the aggregate Structured Finance Collateral Asset Values of all Structured Finance Collateral Assets that are less than 100% beneficially owned by the Borrower and/or any Guarantor.

Minimum Capital Expenditure Reserves. For any Real Estate Asset, \$0.40 per net rentable square foot of such Real Estate Asset per annum, or, for any shorter period, such amount multiplied by a fraction the numerator of which is the length of the applicable period in months (or portions thereof) and the denominator of which is 12.

Minimum Management Fees. Shall mean the greater of (i) three percent (3%) of Rents from the related Real Estate Asset for the three (3) month period immediately preceding the calculation, and (ii) the actual management fees paid by the Borrower and the Related Companies with respect to such Real Estate Asset during such three (3) month period.

Mortgage. Any mortgage, deed of trust, or other security instrument that creates a Lien on a class B (or better) office property (including the development of same) or assets related thereto to secure Indebtedness.

Mortgage Loan. Any Indebtedness the payment or performance of which is secured by a Mortgage.

Mortgage Note. Any instrument, document or agreement evidencing a Mortgage Loan.

-11-

Multiemployer Plan. Any multiemployer plan within the meaning of Section 3(37) of ERISA contributed to by the Borrower or any ERISA Affiliate.

Net Offering Proceeds. All cash proceeds received after the Effective Date by the Borrower or the Company as a result of the sale of common, preferred or other classes of stock of the Company or the issuance of limited partnership interests in the Borrower less customary costs and discounts of issuance paid by Company or Borrower in connection therewith.

Net Operating Income. With respect to any Real Estate Asset, for the period of determination, the Rents derived from the customary operation of such Real Estate Asset, less operating expenses attributable to such Real Estate Asset, and shall include only the sum of (i) the Rents received or expected to be received, and earned in accordance with Generally Accepted Accounting Principles, pursuant to Leases in place, plus (ii) other income actually received and earned in accordance with Generally Accepted Accounting Principles with respect to such Real Estate Asset, plus (iii) rent loss or business interruption insurance proceeds received or expected to be received during or relating to such period due to a casualty that has occurred prior to the date of calculation plus (iv) parking or other income, less operating expenses actually paid or payable on an accrual basis in accordance with Generally Accepted Accounting Principles attributable to such Real Estate Asset during such period, as set forth on operating statements and schedules reasonably satisfactory to Agent. Net Operating Income shall be calculated in accordance with customary accounting principles applicable to real estate. Notwithstanding the foregoing, Net Operating Income shall not include (i) any condemnation or insurance proceeds (excluding rent loss or business interruption insurance proceeds as described above), (ii) any proceeds resulting from the sale, exchange, transfer, financing or refinancing of all or any portion of the Real Estate Asset for which it is to be determined, (iii) amounts received from tenants as security deposits unless actually applied toward the payment of rent or additional rent in accordance with the terms of such tenant's lease, (iv) interest income and (v) any type of income otherwise included in Net Operating Income but paid directly by any tenant to a Person other than Borrower or a Guarantor or other Related Company or their respective agents or representatives.

Notes. See Section 2.3.

Obligations. All indebtedness, obligations and liabilities of the Borrower or any Guarantor to any of the Lenders and the Agent, individually or collectively, under this Agreement, the other Loan Documents or in respect of any of the Loans or the Notes or other instruments at any time evidencing any thereof, whether existing on the date of this Agreement or arising or incurred hereafter, direct or indirect, joint or several, absolute or contingent, matured or unmatured, liquidated or unliquidated, secured or unsecured, arising by contract, operation of law or otherwise.

Outstanding Obligations. As of any date of determination, the sum of the outstanding principal amount of the Loans.

Occupancy Rate. With respect to an Unencumbered Asset at any time, the ratio, as of such date, expressed as a percentage, of (i) the net rentable area of such Unencumbered Asset leased to tenants paying rent pursuant to, and to the extent required under, Leases other than

-12-

Leases which are in material default, to (ii) the net rentable area of such Unencumbered Asset. For purposes of this definition, if a tenant has sublet all or a portion of the premises demised under its Lease, and such subtenant is actually occupying such premises or portion thereof, the tenant shall be deemed to be actually occupying such premises or portion thereof, as the case may be.

PBGC. The Pension Benefit Guaranty Corporation created by Section 4002 of ERISA and any successor entity or entities having similar responsibilities.

Permitted Developments. The construction of any new buildings or the construction of additions expanding existing buildings or the rehabilitation of existing buildings (other than normal refurbishing of common areas and tenant fit up work when one tenant leases space previously occupied by another tenant) relating to any Real Estate Assets of the Borrower, any Guarantor or any of the other Related Companies, including (but not limited to) Forward Purchase Contracts, having met all conditions of payment thereof but for the passage of time, and each Permitted Development shall be counted for purposes of Section 8.2 from the time of commencement of the applicable construction work until a final certificate of occupancy has been issued with respect to such project in the amount of the total projected cost of such project.

Permitted Liens. The following Liens, security interests and other encumbrances:

(i) liens to secure taxes, assessments and other governmental charges in respect of obligations not overdue, the Indebtedness with respect to

which is permitted hereunder;

(ii) deposits or pledges made in connection with, or to secure payment of, workmen's compensation, unemployment insurance, old age pensions or other social security obligations;

(iii) liens in respect of judgments or awards, the Indebtedness with respect to which is permitted hereunder;

(iv) liens of carriers, warehousemen, mechanics and materialmen, and other like liens which are either covered by a full indemnity from a creditworthy indemnitor or have been in existence less than 120 days from the date of creation thereof in respect of obligations not overdue, the Indebtedness with respect to which is permitted hereunder; and

(v) encumbrances consisting of easements, rights of way, Leases, covenants, restrictions on the use of real property and defects and irregularities in the title thereto; and other minor liens or encumbrances none of which in the opinion of the Borrower interferes materially with the use of the property affected in the ordinary conduct of the business of the Borrower, and which matters (x) do not individually or in the aggregate have a materially adverse effect on the value of the Unencumbered Asset and (y) do not make title to such property unmarketable by the conveyancing standards in effect where such property is located.

Person. Any individual, corporation, partnership, trust, unincorporated association, business, or other legal entity, and any government or any governmental agency or political subdivision thereof.

-13-

Pledge and Security Agreement. The pledge and security agreement, in substantially the form of Exhibit D hereto, executed by each Person pledging an interest in the Collateral and delivered to the Agent, as collateral agent for the Secured Parties, on or before the Effective Date.

Preferred Distribution. The declaration or payment of any dividend or distribution of cash or cash equivalents to the holders of preferred shares of beneficial interest in the Company or the holders of preferred units of limited partnership interest of the Borrower.

Prepayment Date. See Section 3.3.

Properties. All Real Estate Assets, Real Estate, and all other assets, including, without limitation, intangibles and personalty owned by the Borrower or any of the Related Companies.

Prudential Facility. See Section 7.12.

Real Estate. All real property at any time owned, leased (as lessee or sublessee) or operated by the Borrower, any Guarantor, or any of the Related Companies or any Unconsolidated Entity.

Real Estate Assets. Those fixed and tangible properties consisting of land, buildings and/or other improvements owned by the Borrower, by any Guarantor, by any of the Related Companies or by any Unconsolidated Entity at the relevant time of reference thereto, but excluding all leaseholds other than leaseholds under Ground Leases which either have an unexpired term (including unexercised renewals options exercisable at the option of the lessee) of at least 20 years or contain a purchase option for nominal consideration.

Real Estate Effective Control Assets. Those Investments in mortgages and mortgage participations owned by the Borrower or by any Guarantor as to which the Borrower has demonstrated to the Agent, in the Agent's discretion, that the Borrower or a Guarantor has control of the decision-making functions of management and leasing of such mortgaged properties, has control of the economic benefits of such mortgaged properties, and holds an option to purchase such mortgaged properties.

Record. The grid attached to any Note, or the continuation of such grid, or any other similar record, including computer records, maintained by any Lender with respect to any Loan referred to in such Note.

Recourse Indebtedness. All Indebtedness except Indebtedness with respect to which recourse for payment is contractually limited (except for customary exclusions) to specific assets encumbered by a lien securing such Indebtedness.

Register. See Section 19.3.

Related Companies. The entities listed and described on Schedule 1.3 hereto, being all of the Subsidiaries of the Borrower and the Company as of the Effective Date, or thereafter, any entity whose financial statements are consolidated or combined with the Company's pursuant to Generally Accepted Accounting Principles, or any ERISA Affiliate.

-14-

Release. A release, spillage, leaking, pumping, pouring, emitting, emptying, discharge, injection, escape, disposal or dumping of Hazardous Material.

Rents. All rents, issues, profits, royalties, receipts, revenues, accounts receivable, and income, including fixed, additional and percentage rents, occupancy charges, operating expense reimbursements, reimbursements for increases in taxes, sums paid by tenants to the Borrower or the Related Companies to reimburse the Borrower or the Related Companies for amounts

originally paid or to be paid by the Borrower or the Related Companies or their respective agents or affiliates for which such tenants were liable, as, for example, tenant improvements costs in excess of any work letter, lease takeover costs, moving expenses and tax and operating expense pass-throughs for which a tenant is solely liable, parking income, recoveries for common area maintenance expense, tax, insurance, utility and service charges and contributions, proceeds of sale of electricity, gas, heating, air-conditioning and other utilities and services, deficiency rents and liquidated damages, and other benefits.

Requisite Lenders. As of any date, the Lenders whose aggregate Commitments constitute at least sixty-six and two-thirds percent (66(2/3)%) of the Total Commitment provided that the Commitments of any Delinquent Lenders shall be disregarded when determining the Requisite Lenders.

Responsible Officer. With respect to the Company, any one of its Chairman, President, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Treasurer, Executive Vice Presidents or Senior Vice Presidents.

Secured Parties. The Lenders and the Agent, as collateral agent for the benefit of the Lenders.

Structured Finance Collateral Asset. Each Structured Finance Investment set forth on Schedule 1.1, as such Schedule may be amended or supplemented from time to time, and any other Structured Finance Investment which at the date of determination, (i) is beneficially owned in whole or in part by Borrower or one of the Guarantors; (ii) is unencumbered by any Liens; (iii) (A) if a Mortgage Loan, is not greater than ninety (90) days past due, (B) if a loan secured by partnership or membership interests or a membership agreement, is not greater than ninety (90) days past due, or (C) if a preferred equity Investment, there are no dividends in arrears for a period of more than ninety (90) days; (iv) is pledged to the Agent for the benefit of the Lenders as Collateral to secure the Obligations, and (v) is approved as a "Structured Finance Collateral Asset" by both (x) the Requisite Lenders in their sole discretion and (y) each of Fleet National Bank, First Union National Bank, and Sovereign Bank, to the extent each of them shall be as of such date of determination a Lender holding a Commitment of at least \$15,000,000, in each case in their sole respective discretion (which shall not be unreasonably delayed). Each asset which satisfies the conditions set forth in this definition shall be deemed to be a Structured Finance Collateral Asset only during such periods of time as Borrower has included the same on the list of Structured Finance Collateral Assets attached to the most recent Compliance Certificate delivered hereunder.

Structured Finance Collateral Asset Value. With respect to any Structured Finance Collateral Asset, when determined as of the last day of any fiscal quarter, the product of (A) the

-15-

percentage (stated as a fraction) of Borrower's or the Guarantors' aggregate beneficial ownership interest in the Structured Finance Collateral Asset times (B) the lesser of (i) the stated face value of Structured Finance Collateral Asset (taking into account principal amortization), (ii) the purchase price paid for the Structured Finance Collateral Asset by the Borrower and/or the Guarantors, and (iii) the book value of the Structured Finance Collateral Asset as determined by Generally Accepted Accounting Principles.

Structured Finance Investment. Any of the following Investments in (or in entities whose Investments are primarily in): (i) Mortgages, Mortgage Loans, and Mortgage Notes, (ii) mezzanine or bridge financing loans secured by partnership or equivalent equity interests in the borrower thereof or (iii) a preferred equity Investments (including preferred limited partnership or limited liability company interests) (including, but not limited to, single-asset or limited-asset collateralized mortgage backed securities and in entities owning (or leasing pursuant to a Ground Lease) class B (or better) office properties located in the city of New York, New York, any of Westchester, Rockland, Nassau, or Suffolk Counties in the state of New York, Fairfield County in the state of Connecticut, or any of Mercer County, Monmouth County or any county north thereof in the state of New Jersey, but subject in all cases to the Lenders' approval as set forth in clause (v) of the definition of Structured Finance Collateral Asset.

Subsidiary. Any corporation, association, trust, or other business entity of which the designated parent or other controlling Person shall at any time own directly or indirectly through a Subsidiary or Subsidiaries at least a majority (by number of votes) of the outstanding Voting Interests.

Tangible Net Worth. The book value of all of the assets of the Borrower and the Related Companies minus the book value of all of the liabilities of the Borrower and the Related Companies minus all intangibles determined in accordance with Generally Accepted Accounting Principles.

Telerate Page 3750. The display designated as "Page 3750" on the Telerate Service, or such other page as may replace Page 3750 on that service or any such service as may be nominated by the British Bankers' Association as the information vendor for the purpose of displaying British Bankers' Association interest settlement rates for U.S. Dollar deposits.

Total Assets. As of any date of determination, the sum of the following, without duplication: (i) the Value of All Unencumbered Assets, plus (ii) the aggregate Adjusted Net Operating Income for the fiscal quarter immediately preceding such date, annualized, for all Real Estate Assets (other than Unencumbered Assets) and Real Estate Effective Control Assets owned or leased by the Borrower, the Company or one of their respective Subsidiaries other than Real Estate Assets referred to in clause (iii) of this definition, divided by nine and one-half percent (9.5%), plus (iii) the aggregate purchase price of all Real Estate Assets (other than Unencumbered Assets but including Forward Purchase Contracts having met all conditions of repayment thereof but for the passage of time) and Real Estate Effective Control Assets acquired or initially

leased by the Borrower, the Company and their respective Subsidiaries within the fiscal quarter immediately preceding such date, multiplied by ninety-five percent (95.0%), plus (iv) the book value of unrestricted cash and cash equivalents of the Borrower, the Company and their respective Subsidiaries, plus (v) the aggregate book value of all Investments

-16-

of the Borrower, the Company and their respective Subsidiaries (other than Real Estate Effective Control Assets) permitted under Section 8.2 hereof.

Total Commitment. The sum of the Commitments of the Lenders, as in effect from time to time.

Total Debt. The sum of (without duplication) all Indebtedness of the Borrower and the Company included in the liabilities portion of the Borrower's and the Company's balance sheets prepared in accordance with Generally Accepted Accounting Principles as of the end of the most recent fiscal quarter for which financial statements have been provided pursuant to Section 7.4.

Type. As to any Loan its nature as a Base Rate Loan or a LIBOR Rate Loan.

Unconsolidated Entity. As of any date, any Person in whom the Borrower, the Company or any Related Company holds an Investment, other than an Investment in entities which meet the definition of Unconsolidated Entity solely as a result of the Borrower, the Company or any Related Company having made a Structured Finance Investment therein, and whose financial results would not be consolidated under Generally Accepted Accounting Principles with the financial statements of the Borrower, if such statements were prepared as of such date. Unconsolidated Entities existing on the date hereof are set forth in Schedule 1.3.

Unencumbered Asset. At all times, any Real Estate Asset identified as an "Unencumbered Asset" under the Existing Credit Facility at such time, provided, however, that if the Existing Credit Facility is no longer outstanding, then any Real Estate Asset that would have qualified as an "Unencumbered Asset" under the Existing Credit Facility if the same had not been terminated.

Unencumbered Asset Value. With respect to any Unencumbered Asset at any time, an amount computed as follows: (i) for any Unencumbered Asset owned or leased by the Borrower or the Guarantors other than Unencumbered Assets referred to in clause (ii) of this definition, the Adjusted Net Operating Income for such Unencumbered Asset for the fiscal quarter immediately preceding such date, annualized, divided by nine and one-half percent (9.5%), or (ii) for any Unencumbered Asset acquired or initially leased by the Borrower or the Guarantors within the fiscal quarter immediately preceding such date, the purchase price of such Unencumbered Asset multiplied by ninety-five percent (95.0%).

Unsecured Indebtedness. All Indebtedness of Borrower or of any of the Related Companies which is not secured by a Lien on any Properties including, without limitation, the Outstanding Obligations and any Indebtedness evidenced by any bonds, debentures, notes or other debt securities presently outstanding or which may be hereafter issued by Borrower or by the Company. Unsecured Indebtedness shall not include accrued ordinary operating expenses payable on a current basis.

Unused Amount. See Section 4.2

Value of All Unencumbered Assets. When determined as of the end of a fiscal quarter, an amount computed as follows: the sum of (i) the aggregate Adjusted Net Operating Income for

-17-

the fiscal quarter immediately preceding such date, annualized, for all Unencumbered Assets owned or leased by the Borrower, the Guarantors or any of their respective Subsidiaries other than Unencumbered Properties referred to in clause (ii) of this definition, divided by nine and one-half percent (9.5%), plus (ii) the aggregate purchase price of all Unencumbered Assets acquired or initially leased by the Borrower, the Guarantors or any of their respective Subsidiaries within the fiscal quarter immediately preceding such date, multiplied by ninety-five percent (95.0%); provided, however, that after making such computation, the Value of All Unencumbered Assets shall be reduced by the amount by which the Unencumbered Asset Value of any single Unencumbered Asset exceeds (i) during the period to and including the first anniversary of the "Effective Date", as such term is defined in the Existing Credit Facility, forty percent (40%) of the Value of All Unencumbered Assets as so computed, and (ii) after the first anniversary of the "Effective Date", as such term is defined in the Existing Credit Facility, thirty-five percent (35%) of the Value of All Unencumbered Assets as so computed.

Variable Rate Indebtedness. The Loans and all other Indebtedness of the Borrower which bears interest at a rate which is not fixed either through maturity or for a term of at least thirty-six (36) months from the date that such fixed rate became effective.

Voting Interests. Stock or similar ownership interests, of any class or classes (however designated), the holders of which are at the time entitled, as such holders, (a) to vote for the election of a majority of the directors (or persons performing similar functions) of the corporation, association, partnership, trust or other business entity involved, or (b) to control, manage or conduct the business of the corporation, partnership, association, trust or other business entity involved.

Section 1.2. Rules of Interpretation.

(a) A reference to any document or agreement shall include such document or agreement as amended, modified or supplemented from time to time in accordance with its terms and the terms of this Agreement.

(b) The singular includes the plural and the plural includes the singular.

(c) A reference to any law includes any amendment or modification to such law.

(d) A reference to any Person includes its permitted successors and permitted assigns.

(e) Accounting terms not otherwise defined herein have the meanings assigned to them by Generally Accepted Accounting Principles applied on a consistent basis by the accounting entity to which they refer and, except as otherwise expressly stated, all use of accounting terms with respect to the Borrower shall reflect the consolidation of the financial statements of Borrower and the Related Companies.

(f) The words "include", "includes" and "including" are not limiting.

-18-

(g) All terms not specifically defined herein or by Generally Accepted Accounting Principles, which terms are defined in the Uniform Commercial Code as in effect in New York, have the meanings assigned to them therein.

(h) Reference to a particular "Section" refers to that section of this Agreement unless otherwise indicated.

(i) The words "herein", "hereof", "hereunder" and words of like import shall refer to this Agreement as a whole and not to any particular section or subdivision of this Agreement.

(j) The words "so long as any Loan or Note is outstanding" shall mean so long as such Loan or Note is not indefeasibly paid in full in cash.

Section 2. REVOLVING SECURED CREDIT FACILITY

Section 2.1. Commitment to Lend; Limitation on Total Commitment. Subject to the provisions of Section 2.5 and the other terms and conditions set forth in this Agreement, each of the Lenders severally agrees to lend to the Borrower and the Borrower may borrow, repay, and reborrow from time to time between the Effective Date and the Maturity Date upon notice by the Borrower to the Agent given in accordance with Section 2.5, such sums as are requested by the Borrower up to a maximum aggregate principal amount of the Outstanding Obligations (after giving effect to all amounts requested) at any one time equal to such Lender's Commitment, provided that the sum of the Outstanding Obligations (after giving effect to all amounts requested) shall not at any time exceed the Maximum Credit Amount. The Loans shall be made pro rata in accordance with each Lender's Commitment Percentage and the Lenders shall at all times immediately adjust INTER SE any inconsistency between each Lender's outstanding principal amount and each Lender's Commitment. Each request for a Loan hereunder shall constitute a representation and warranty by the Borrower that the conditions set forth in Section 10 or Section 11 (whichever is applicable) have been satisfied on the date of such request and will be satisfied on the proposed Borrowing Date of the requested Loan, provided that the making of such representation and warranty by Borrower shall not limit the right of any Lender not to lend upon a determination by the Requisite Lenders that such conditions have not been satisfied.

Section 2.2. Changes in Total Commitment. The Borrower shall have the right at any time upon at least ten (10) Business Days' prior written notice to the Agent (which shall promptly notify each Lender), to reduce by \$1,000,000 or an integral multiple of \$1,000,000 in excess thereof the unborrowed portion of the then Total Commitment, provided that the Total Commitment shall not be reduced to less than \$50,000,000, whereupon the Commitments of the Lenders shall be reduced pro rata in accordance with their respective Commitment Percentages by the amount specified in such notice. Upon the effective date of any such reduction, the Borrower shall pay to the Agent for the respective accounts of the Lenders the full amount of any commitment fee required under Section 4.2 hereof then accrued and unpaid on the amount of the reduction. No reduction of the Commitments may be reinstated.

Section 2.3. The Notes. The Loans shall be evidenced by separate promissory notes of the Borrower in substantially the form of Exhibit A hereto (each a "Note"), and completed with appropriate insertions. One Note shall be payable to the order of each Lender in an aggregate

-19-

principal amount equal to such Lender's Commitment. The Borrower irrevocably authorizes each Lender to make or cause to be made, at or about the time of the Borrowing Date of any Loan or at the time of receipt of any payment of principal on such Lender's Note, an appropriate notation on such Lender's Record reflecting the making of such Loan or (as the case may be) the receipt of such payment. The outstanding amount of the Loans set forth on such Lender's Record shall (absent manifest error) be prima facie evidence of the principal amount thereof owing and unpaid to such Lender, but the failure to record, or any error in so recording, any such amount on the Record shall not limit or otherwise affect the obligations of the Borrower hereunder or under any Note to make

payments of principal of or interest on any Note when due.

Section 2.4. Interest on Loans.

(a) Each Base Rate Loan shall bear interest commencing with the Borrowing Date thereof at the rate equal to the Base Rate.

(b) Each LIBOR Rate Loan shall bear interest for the period commencing with the Borrowing Date thereof and ending on the last day of the Interest Period with respect thereto at the rate equal to the Applicable LIBOR Margin per annum above the LIBOR Rate determined for such Interest Period.

(c) The Borrower unconditionally promises, in accordance with and subject to the provisions of the Loan Documents, to pay interest on each Loan in arrears on each Interest Payment Date with respect thereto and, with respect to any LIBOR Rate Loan, on the last day of the Interest Period with respect thereto.

Section 2.5. Requests for Loans.

(a) The Borrower shall give to the Agent written notice in the form of Exhibit B hereto of each Loan requested hereunder (a "Loan Request") no less than (a) one (1) Business Day prior to the proposed Borrowing Date of any Base Rate Loan and (b) three (3) Eurodollar Business Days prior to the proposed Borrowing Date of any LIBOR Rate Loan. Each such notice shall specify (i) the principal amount of the Loan requested, (ii) the proposed Borrowing Date of such Loan, (iii) the Interest Period for such Loan, and (iv) the Type of such Loan, and shall be accompanied by a statement in the form of Exhibit C hereto signed by a Responsible Officer setting forth in reasonable detail computations evidencing compliance with the covenants contained in Section 9.1 through Section 9.5 hereof after giving effect to such requested Loan (a "Compliance Certificate"). On the same day as the receipt of a Loan Request for a Base Rate Loan, and within one (1) Business Day after receipt of a Loan Request for a LIBOR Rate Loan, the Agent shall provide to each of the Lenders by facsimile a copy of such Loan Request and accompanying Compliance Certificate and each Lender shall, within 24 hours thereafter (if such following day is a Business Day, and if not, before 10:30 AM Boston time on the next succeeding Business Day), notify the Agent if it believes that any of the conditions contained in Section 11 of this Agreement has not been met or waived. If such a notice is given, Agent shall poll the Lenders, and the Requisite Lenders shall promptly determine whether all of the conditions contained in Section 11 of this Agreement have been met or waived. If no such notice is given by any Lender or if following such notice the Requisite Lenders determine that the conditions contained in Section 11 have been met or waived, or, in any event, if all conditions in Section 11 have in fact been met or waived,

-20-

Agent shall notify the Lenders that each of the Lenders shall be obligated to fund its Commitment Percentage of the requested Loans. Each such Loan Request shall be irrevocable and binding on the Borrower and the Borrower shall be obligated to accept the Loan requested from the Lenders on the proposed Borrowing Date. Each Loan Request shall be in a minimum aggregate amount of \$1,000,000 or an integral multiple of \$100,000 in excess thereof. The Borrower shall be allowed up to two (2) Loan Requests per month.

(b) Notwithstanding anything contained in Section 2.5(a) to the contrary, in the event that the making of a requested Loan would cause non-compliance with any of the covenants contained in Section 9.1 through Section 9.7 hereof, the Agent may, in its sole discretion, reduce the amount of the Loan Request to an amount which would enable the Borrower to maintain compliance with such otherwise defaulted covenant or covenants and Borrower shall accept the Loan made pursuant to such reduced Loan Request.

Section 2.6. Conversion Options.

(a) The Borrower may elect from time to time to convert any outstanding Loan to a Loan of another Type, provided that (i) with respect to any such conversion of a LIBOR Rate Loan to a Base Rate Loan, the Borrower shall give the Agent at least three (3) Business Days prior written notice of such election; (ii) with respect to any such conversion of a LIBOR Rate Loan into a Base Rate Loan, such conversion shall only be made on the last day of the Interest Period with respect thereto; (iii) subject to the further proviso at the end of this section and subject to Section 2.6(b) and Section 2.6(d) hereof with respect to any such conversion of a Base Rate Loan to a LIBOR Rate Loan, the Borrower shall give the Agent at least three (3) Eurodollar Business Days prior written notice of such election and (iv) no Loan may be converted into a LIBOR Rate Loan when any Default or Event of Default has occurred and is continuing. The Agent shall promptly notify the Lenders of any such request received. On the date on which such conversion is being made, each Lender shall take such action as is necessary to transfer its Commitment Percentage of such Loans to its Domestic Lending Office or its LIBOR Lending Office, as the case may be. All or any part of outstanding Loans of any Type may be converted as provided herein, provided further that each Conversion Request relating to the conversion of a Base Rate Loan to a LIBOR Rate Loan shall be for an amount equal to \$1,000,000 (unless the aggregate outstanding principal amount of Loans is less than \$1,000,000) or an integral multiple of \$100,000 in excess thereof and shall be irrevocable by the Borrower.

(b) Any Loans of any Type may be continued as such upon the expiration of an Interest Period with respect thereto by compliance by the Borrower with the notice provisions contained in Section 2.6(a); provided that no LIBOR Rate Loan may be continued as such when any Default or Event of Default has occurred and is continuing but shall be automatically converted to a Base Rate Loan on the last day of the first Interest Period relating thereto ending during the continuance of any Default or Event of Default of which the officers of the Agent active upon the Borrower's account have actual knowledge.

(c) In the event that the Borrower does not notify the Agent of its election hereunder with respect to any Loan, such Loan shall be automatically converted to a Base Rate Loan at the end of the applicable Interest Period.

-21-

(d) The Borrower may not request a LIBOR Rate Loan pursuant to Section 2.5, elect to convert a Base Rate Loan to a LIBOR Rate Loan pursuant to Section 2.6(a) or elect to continue a LIBOR Rate Loan pursuant to Section 2.6(b) if, after giving effect thereto, there would be greater than four (4) LIBOR Rate Loans outstanding. Any Loan Request for a LIBOR Rate Loan that would create greater than four (4) LIBOR Rate Loans outstanding shall be deemed to be a Loan Request for a Base Rate Loan.

Section 2.7. Funds for Loans.

(a) Subject to Section 2.5 and other provisions of this Agreement, not later than 1:00 p.m. (Boston time) on the proposed Borrowing Date of any Loans, each of the Lenders will make available to the Agent, at the Agent's Head Office, in immediately available funds, the amount of such Lender's Commitment Percentage of the amount of the requested Loans. Upon receipt from each Lender of such amount, and upon receipt of the documents required by Sections 10 or 11 (whichever is applicable) and the satisfaction of the other conditions set forth therein, to the extent applicable, the Agent will make available to the Borrower the aggregate amount of such Loans made available to the Agent by the Lenders. The failure or refusal of any Lender to make available to the Agent at the aforesaid time and place on any Borrowing Date the amount of its Commitment Percentage of the requested Loans shall not relieve any other Lender from its several obligation hereunder to make available to the Agent the amount of such other Lender's Commitment Percentage of any requested Loans but shall not obligate any other Lender or Agent to fund more than its Commitment Percentage of the requested Loans or to increase its Commitment Percentage.

(b) The Agent may, unless notified to the contrary by any Lender prior to a Borrowing Date, assume that such Lender has made available to the Agent on such Borrowing Date the amount of such Lender's Commitment Percentage of the Loans to be made on such Borrowing Date, and the Agent may (but it shall not be required to), in reliance upon such assumption, make available to the Borrower a corresponding amount. If any Lender makes available to the Agent such amount on a date after such Borrowing Date, such Lender shall pay to the Agent on demand an amount equal to the product of (i) the average computed for the period referred to in clause (iii) below, of the weighted average interest rate paid by the Agent for federal funds acquired by the Agent during each day included in such period, times (ii) the amount of such Lender's Commitment Percentage of such Loans, times (iii) a fraction, the numerator of which is the number of days or portion thereof that elapsed from and including such Borrowing Date to the date on which the amount of such Lender's Commitment Percentage of such Loans shall become immediately available to the Agent, and the denominator of which is 365. A statement of the Agent submitted to such Lender with respect to any amounts owing under this paragraph shall be prima facie evidence of the amount due and owing to the Agent by such Lender.

Section 2.8. Extension of Maturity Date. On any Business Day not more than ninety (90) but at least thirty (30) days prior to December 20, 2003, the Borrower, by written notice to the Agent, may request an extension of the Maturity Date to December 20, 2004. The obligation of each Lender to extend the Maturity Date as requested by the Borrower is subject to the condition precedent that the Borrower shall deliver to the Agent and the Lenders written certification (the

-22-

"Extension Certification") that, as of the original Maturity Date of December 20, 2003 (the "Extension Date"), the following statements are true:

(a) the representations and warranties contained in this Agreement and the other Loan Documents are, subject to the exceptions described in clauses (i), (ii) and (iii) of Section 11.1 hereof, correct on and as of the Extension Date, before and after giving effect to such extension, as though made on and as of such date (or, if any such representation or warranty is expressly stated to have been made as of a specific date, as of such specific date);

(b) the stated maturity date of the Existing Credit Facility is later than December 20, 2004; and

(c) no Default or Event of Default shall have occurred and be continuing or would occur as a result of the extension requested.

Upon timely notice by Borrower pursuant to the first sentence of this Section 2.8 and delivery by the Borrower to the Agent and the Lenders of the Extension Certification on the Extension Date, the Maturity Date shall, effective as of the Extension Date, be December 20, 2004.

Section 3. REPAYMENT OF THE LOANS

Section 3.1. Maturity. The Borrower unconditionally promises, in accordance with, and subject to, the provisions of the Loan Documents, to pay on the Maturity Date, and there shall become absolutely due and payable on the Maturity Date, all of the Loans outstanding on such date, together with any and all accrued and unpaid interest and charges thereon.

Section 3.2. Mandatory Repayments of Loan. If at any time the sum of the Outstanding Obligations exceeds the Maximum Credit Amount, then the Borrower

shall immediately pay the amount of such excess to the Agent for the respective accounts of the Lenders for application to the Loans, provided, however, that if as of the end of any fiscal quarter of the Borrower the sum of the Outstanding Obligations exceeds the Maximum Credit Amount by less than \$100,000 solely as a result of principal amortization within such fiscal quarter with respect to a Structured Finance Collateral Asset (as certified to by a Responsible Officer of the Company (on behalf of the Borrower and as demonstrated on the compliance statement required pursuant to Section 6.4 hereof for such fiscal quarter), no repayment shall be required under this Section 3.2.

Section 3.3. Optional Repayments of Loans. The Borrower shall have the right, at its election, to repay the outstanding amount of the Loans, as a whole or in part, on any Business Day, without penalty or premium; provided that the full or partial prepayment of the outstanding amount of any LIBOR Rate Loans made pursuant to this Section 3.3 may be made only on the last day of the Interest Period relating thereto, except as set forth below in this Section 3.3. The Borrower shall give the Agent no later than 10:00 a.m., Boston time, at least one (1) Business Day's prior written notice of any prepayment pursuant to this Section 3.3 of any Base Rate Loans and three (3) Eurodollar Business Days' notice of any proposed repayment pursuant to this Section 3.3 of any LIBOR Rate Loans, specifying the proposed date of payment of Loans and the principal amount to be paid. The Agent shall promptly notify each Lender of the principal amount of such payment to be

-23-

received by such Lender. Each such partial prepayment of the Loans shall be in an integral multiple of \$1,000,000 (or, if the aggregate outstanding principal amount of Loans is less than \$1,000,000, the full amount thereof) provided that if partial prepayment is received in connection with payment received from an underlying obligor or other party to a Structured Finance Collateral Asset, the amount so received may be prepaid and, to the extent requested by the Agent, shall be accompanied by the payment of all charges outstanding on all Loans and of accrued interest on the principal repaid to the date of payment. Unless otherwise requested by the Borrower, the principal payments so received shall be applied first to the principal of Base Rate Loans and then to the principal of LIBOR Rate Loans. Notwithstanding anything contained herein to the contrary, the Borrower may make a full or partial prepayment of a LIBOR Rate Loan on a date other than the last day of the Interest Period relating thereto, if all such optional prepayments (in whole or in part) on such Loans shall be accompanied by, and the Borrower hereby promises to pay, a prepayment fee in an amount determined by the Agent in the following manner:

(a) Fixed Rate Prepayment Fee. Borrower acknowledges that prepayment or acceleration of a LIBOR Rate Loan during an Interest Period shall result in the Lenders incurring additional costs, expenses and/or liabilities and that it is extremely difficult and impractical to ascertain the extent of such costs, expenses and/or liabilities. (For all purposes of this Section, any Loan not being made as a LIBOR Rate Loan in accordance with the Loan Request therefor, as a result of Borrower's cancellation thereof, shall be treated as if such LIBOR Rate Loan had been prepaid.) Therefore, on the date a LIBOR Rate Loan is prepaid or the date all sums payable hereunder become due and payable, by acceleration or otherwise ("Prepayment Date"), Borrower will pay to Agent, for the account of each Lender, (in addition to all other sums then owing), an amount ("Fixed Rate Prepayment Fee") determined by the Agent as follows: The current rate for United States Treasury securities (bills on a discounted basis shall be converted to a bond equivalent) with a maturity date closest to the end of the Interest Period as to which prepayment is made, shall be subtracted from the interest rate applicable to the LIBOR Rate Loan being prepaid. If the result is zero or a negative number, there shall be no Fixed Rate Prepayment Fee. If the result is a positive number, then the resulting percentage shall be multiplied by the amount of the LIBOR Rate Loan being prepaid. The resulting amount shall be divided by 360 and multiplied by the number of days remaining in the Interest Period as to which the prepayment is being made. The resulting amount shall be the Fixed Rate Prepayment Fee.

(b) Upon the written notice to Borrower from Agent, Borrower shall immediately pay to Agent, for the account of the Lenders, the Fixed Rate Prepayment Fee. Such written notice (which shall include calculations in reasonable detail) shall, in the absence of manifest error, be conclusive and binding on the parties hereto.

(c) Borrower understands, agrees and acknowledges the following: (i) no Lender has any obligation to purchase, sell and/or match funds in connection with the use of the LIBOR Rate as a basis for calculating the rate of interest on a LIBOR Rate Loan; (ii) the LIBOR Rate is used merely as a reference in determining such rate; and (iii) Borrower has accepted the LIBOR Rate as a reasonable and fair basis for calculating such rate and a Fixed Rate Prepayment Fee. Borrower further agrees to pay the Fixed Rate Prepayment Fee, if any, whether or not a Lender elects to purchase, sell and/or match funds.

-24-

Section 4. CERTAIN GENERAL PROVISIONS

Section 4.1. Fees. On the Effective Date, the Borrower shall pay to each of the Lenders hereunder, the fees in the amounts specified in the respective fee agreements among the Borrower and each of the Lenders.

Section 4.2. Commitment Fee. The Borrower shall pay to the Agent for the accounts of the Lenders in accordance with their respective Commitment Percentages a commitment fee calculated at the rate of 25 basis points per annum on the average daily amount by which the Total Commitment (as it may have been reduced pursuant to Section 2.2) exceeds the Outstanding Obligations (such excess, the "Unused Amount"). The commitment fee shall be payable on the basis of the applicable annual rate quarterly in arrears on or before the third

Business Day of each calendar quarter for the immediately preceding calendar quarter commencing on April 3, 2002, with a final payment on the Maturity Date or any earlier date on which the Commitments shall terminate.

Section 4.3. Funds for Payments.

(a) All payments of principal, interest, closing fees, commitment fees and any other amounts due hereunder (other than as provided in Section 4.1, Section 4.5 and Section 4.6) or under any of the other Loan Documents, and all prepayments, shall be made to the Agent, for the respective accounts of the Lenders, at the Agent's Head Office, in each case in Dollars in immediately available funds.

(b) All payments by the Borrower hereunder and under any of the other Loan Documents shall be made without setoff or counterclaim and free and clear of and without deduction for any taxes, levies, imposts, duties, charges, fees, deductions, withholdings, compulsory liens, restrictions or conditions of any nature now or hereafter imposed or levied by any jurisdiction or any political subdivision thereof or taxing or other authority therein unless the Borrower is compelled by law to make such deduction or withholding. If any such obligation is imposed upon the Borrower with respect to any amount payable by it hereunder or under any of the other Loan Documents, the Borrower shall pay to the Agent, for the account of the Lenders or (as the case may be) the Agent, on the date on which such amount is due and payable hereunder or under such other Loan Document, such additional amount in Dollars as shall be necessary to enable the Lenders or the Agent to receive the same net amount which the Lenders or the Agent would have received on such due date had no such obligation been imposed upon the Borrower. The Borrower will deliver promptly to the Agent certificates or other valid vouchers for all taxes or other charges deducted from or paid with respect to payments made by the Borrower hereunder or under such other Loan Document.

(c) In the event that Borrower is obligated to pay any additional amounts described in clause (b) above in respect of any Lender's Loan, such Lender shall make commercially reasonable efforts to change the jurisdiction of its lending office if, in the reasonable judgment of such Lender, doing so would eliminate or reduce Borrower's obligation to pay such additional amounts and would not be disadvantageous to such Lender.

-25-

(d) All payments shall be applied first to the payment of all fees, expenses and other amounts due to the Agent and the Lenders (excluding principal and interest), then to accrued interest, and the balance on account of outstanding principal; provided, however, that after an Event of Default hereunder, payments will be applied to the obligations of the Borrower to the Agent as the Requisite Lenders determine in their sole discretion.

Section 4.4. Computations. All computations of interest on the Loans and of other fees to the extent applicable shall be based on a 360-day year and paid for the actual number of days elapsed. Except as otherwise provided in the definition of the term "Interest Period" with respect to LIBOR Rate Loans, whenever a payment hereunder or under any of the other Loan Documents becomes due on a day that is not a Business Day, the due date for such payment shall be extended to the next succeeding Business Day, and interest shall accrue during such extension.

Section 4.5. Additional Costs, Etc. If any change from and after the date hereof in any present or future applicable law which expression, as used herein, includes statutes, rules and regulations thereunder and interpretations thereof by any competent court or by any governmental or other regulatory body or official charged with the administration or the interpretation thereof and requests, directives, instructions and notices at any time or from time to time hereafter made upon or otherwise issued to any Lender or the Agent by any central bank or other fiscal, monetary or other authority (whether or not having the force of law), shall:

(a) subject any Lender or the Agent to any tax, levy, impost, duty, charge, fee, deduction or withholding of any nature with respect to this Agreement, the other Loan Documents, such Lender's Commitment or the Loans (other than taxes based upon or measured by the income or profits of such Lender or the Agent), or

(b) materially change the basis of taxation (except for changes in taxes on income or profits) of payments to any Lender of the principal of or the interest on any Loans or any other amounts payable to any Lender under this Agreement or the other Loan Documents, or

(c) impose or increase or render applicable (other than to the extent specifically provided for elsewhere in this Agreement) any special deposit, reserve, assessment, liquidity, capital adequacy or other similar requirements (whether or not having the force of law) against assets held by, or deposits in or for the account of, or Loans by, or commitments of an office of any Lender, or

(d) impose on any Lender any other conditions or requirements with respect to this Agreement, the other Loan Documents, the Loans, the Commitment, or any class of Loans or commitments of which any of the Loans or the Commitment forms a part;

and the result of any of the foregoing is

(i) to increase the cost to such Lender of making, funding, issuing, renewing, extending or maintaining any of the Loans or such Lender's Commitment, or

(ii) to reduce the amount of principal, interest or other

amount payable to such Lender or the Agent hereunder on account of the Commitments or any of the Loans, or

-26-

(iii) to require such Lender or the Agent to make any payment or to forego any interest or other sum payable hereunder, the amount of which payment or foregone interest or other sum is calculated by reference to the gross amount of any sum receivable or deemed received by such Lender or the Agent from the Borrower hereunder,

then, and in each such case, the Borrower will, upon demand made by such Lender or (as the case may be) the Agent at any time and from time to time and as often as the occasion therefor may arise, pay to such Lender or the Agent, to the extent permitted by law, such additional amounts as will be sufficient to compensate such Lender or the Agent for such additional cost, reduction, payment or foregone interest or other sum.

Section 4.6. Capital Adequacy. If any present or future law, governmental rule, regulation, policy, guideline or directive (whether or not having the force of law) or the interpretation thereof by a court or governmental authority with appropriate jurisdiction affects the amount of capital required or expected to be maintained by banks or bank holding companies and any Lender or the Agent determines that the amount of capital required to be maintained by it is increased by or based upon the existence of the Loans made or deemed to be made pursuant hereto, then such Lender or the Agent may notify the Borrower of such fact, and the Borrower shall pay to such Lender or the Agent from time to time on demand, as an additional fee payable hereunder, such amount as such Lender or the Agent shall determine in good faith and certify in a notice to the Borrower to be an amount that will adequately compensate such Lender or the Agent in light of these circumstances for its increased costs of maintaining such capital. Each Lender and the Agent shall allocate such cost increases among its customers in good faith and on an equitable basis.

Section 4.7. Certificate. Each Lender shall notify the Borrower and the Agent of any event occurring after the Effective Date entitling such Lender to compensation under Section 4.5 or Section 4.6 as promptly as practicable. A certificate setting forth any additional amounts payable pursuant to Sections 4.5 or 4.6 and a brief explanation of such amounts which are due, submitted by any Lender or the Agent to the Borrower, shall be prima facie evidence that such amounts are due and owing.

Section 4.8. Indemnity. In addition to the other provisions of this Agreement regarding any such matters, the Borrower agrees to indemnify each Lender and to hold each Lender harmless from and against any loss or reasonable cost or expense (including loss of anticipated profits) that such Lender may sustain or incur as a consequence of (a) a default by the Borrower in payment of the principal amount of or any interest on any LIBOR Rate Loans as and when due and payable, including any such loss or expense caused by Borrower's breach or other default and arising from interest or fees payable by such Lender to lenders of funds obtained by it in order to maintain its LIBOR Rate Loans, (b) a default by the Borrower in making a borrowing or conversion after the Borrower has given (or is deemed to have given) a Loan Request or a Conversion Request, and (c) the making of any payment of a LIBOR Rate Loan or the making of any conversion of a LIBOR Rate Loan to a Base Rate Loan on a day that is not the last day of the applicable Interest Period with respect thereto, including interest or fees payable by such Lender to lenders of funds obtained by it in order to maintain any such LIBOR Rate Loan (including, but not limited to, any fees payable under Section 3.3(a) hereof).

-27-

Section 4.9. Interest on Overdue Amounts. Overdue principal and (to the extent permitted by applicable law) interest on the Loans and all other overdue amounts payable hereunder or under any of the other Loan Documents, including amounts owed from and after the occurrence of an Event of Default, shall bear interest compounded monthly and payable on demand at a rate per annum equal to four percent (4%) above the Base Rate until such amount shall be paid in full (after as well as before judgment).

Section 4.10. Inability to Determine LIBOR Rate. In the event, prior to the commencement of any Interest Period relating to any LIBOR Rate Loan, the Agent shall reasonably determine that adequate and reasonable methods do not exist for ascertaining the LIBOR Rate that would otherwise determine the rate of interest to be applicable to any LIBOR Rate Loan during any Interest Period, the Agent shall forthwith give notice of such determination (which shall be conclusive and binding on the Borrower) to the Borrower. In such event (a) any Loan Request with respect to LIBOR Rate Loans shall be automatically withdrawn and shall be deemed a request for Base Rate Loans, (b) each then outstanding LIBOR Rate Loan will automatically, on the last day of the then current Interest Period thereof, become a Base Rate Loan, and (c) the obligations of the Lenders to make LIBOR Rate Loans shall be suspended until the Agent determines that the circumstances giving rise to such suspension no longer exist, whereupon the Agent shall so notify the Borrower.

Section 4.11. Illegality. Notwithstanding any other provisions herein, if any present or future law, regulation, treaty or directive or in the interpretation or application thereof shall make it unlawful for any Lender to make or maintain LIBOR Rate Loans, such Lender shall forthwith give notice of such circumstances to the Borrower and the Agent and thereupon (a) the Commitment of such Lender to make LIBOR Rate Loans or convert Loans of another Type to LIBOR Rate Loans shall forthwith be suspended and (b) the LIBOR Rate Loans then outstanding shall be converted automatically to Base Rate Loans on the last day of each Interest Period applicable to such LIBOR Rate Loans or within such earlier period as may be required by law. The Borrower hereby agrees promptly to pay to the Agent for the account of such Lender, upon demand, any

additional amounts necessary to compensate such Lender for any costs incurred by such Lender in making any conversion in accordance with this Section 4.11, including any interest or fees payable by such Lender to lenders of funds obtained by it in order to make or maintain its LIBOR Rate Loans hereunder.

Section 4.12. Replacement of Lenders. If Agent or any of the Lenders shall make a notice or demand upon the Borrower pursuant to Section 4.3, Section 4.5, Section 4.6, or Section 4.11 based on circumstances or laws which are not generally applicable to the Lenders organized under the laws of the United States or any State thereof, the Borrower shall have the right to replace such Lender with an Eligible Assignee selected by the Borrower and approved by the Agent (which consent shall not be unreasonably withheld or delayed). In such event the assignment shall take place as promptly as reasonably practicable on a date set by the Agent at which time the assigning Lender and the Eligible Assignee shall enter into an Assignment and Acceptance as contemplated by Section 19.1 (and clause (c) or (d) thereof shall not be applicable) and the assigning Lender shall receive from the Eligible Assignee or the Borrower a sum equal to the outstanding principal amount of the Loans owed to the assigning Lender together with accrued interest thereon plus the accrued commitment fee under Section 4.2 allocated to the assigning Lender, and the replaced Lender shall be

-28-

released from all of the obligations of a Lender hereunder from and after the effective date of its replacement.

Section 5. STRUCTURED FINANCE COLLATERAL ASSETS; NO LIMITATION ON RECOURSE

Section 5.1. Structured Finance Collateral Assets.

(a) The Borrower represents and warrants that each of the Structured Finance Collateral Assets listed on Schedule 1.1 will on the Effective Date satisfy all of the conditions set forth in the definition of Structured Finance Collateral Asset. The Lenders confirm that each of the Structured Finance Collateral Assets listed on Schedule 1.1 is, on the Effective Date, accepted as a Structured Finance Collateral Asset. From time to time during the term of this Agreement, upon the written consent of both (x) the Requisite Lenders in their sole discretion and (y) each of Fleet National Bank, First Union National Bank, and Sovereign Bank, to the extent each of them shall be as of such date of determination a Lender holding a Commitment of at least \$15,000,000, in each case in their sole respective discretion (which in each case of (x) and (y) consent shall not be unreasonably delayed), additional assets may become Structured Finance Collateral Assets and certain assets which previously satisfied the conditions set forth in the definition of Structured Finance Collateral Asset may cease to be Structured Finance Collateral Assets by virtue of payment of the underlying obligations, creation of Liens or other reasons. There shall be attached to each Compliance Certificate delivered pursuant to Section 7.4(d) or Section 7.13 an updated listing of the Structured Finance Collateral Assets relied upon by the Borrower in computing the covenants set forth in Section 5 in such Compliance Certificate. Compliance Certificates delivered pursuant to Section 2.5(a) shall include an updated listing of the Structured Finance Collateral Assets and shall include such updated listing whenever a redetermination of the Structured Finance Collateral Assets Values for all Structured Finance Collateral Assets based on such an updated listing would result in a material decrease (from that shown on the most recently delivered Compliance Certificate) in the Structured Finance Collateral Assets Values for all Structured Finance Collateral Assets by virtue of payment of the underlying obligations, creation of Liens or other reasons.

Section 5.2. Waivers by Requisite Lenders. If any asset fails to satisfy any of the requirements contained in the definition of Structured Finance Collateral Asset then the applicable asset may nevertheless be deemed to be a Structured Finance Collateral Asset hereunder if both (x) the Requisite Lenders in their sole discretion and (y) each of Fleet National Bank, First Union National Bank, and Sovereign Bank, to the extent each of them shall be as of such date of determination a Lender holding a Commitment of at least \$15,000,000, in each case in their sole respective discretion, vote to accept such asset as a Structured Finance Collateral Asset.

Section 5.3. Rejection of Structured Finance Collateral Assets. If at any time the Agent reasonably determines that any asset listed as a Structured Finance Collateral Asset by the Borrower does not satisfy all of the requirements of the definition of Structured Finance Collateral Asset other than clause (v) thereof (to the extent not waived by the Requisite Lenders pursuant to Section 5.2), it may upon three (3) Business Day's notice to the Borrower reject a Structured Finance Collateral Asset by notice to the Borrower, and if the Agent so requests the Borrower

-29-

shall revise the applicable Compliance Certificate to reflect the resulting change in the Structured Finance Collateral Asset Values.

Section 5.4. Change in Circumstances. If at any time during the term of this Agreement Borrower becomes aware that any of the applicable representations contained in Section 6 are no longer accurate with respect to any Structured Finance Collateral Asset, it will promptly so notify the Agent and either request a waiver pursuant to Section 5.2 or confirm that such asset is no longer a Structured Finance Collateral Asset. If any waiver so requested is not granted by the Requisite Lenders or the Agent, as applicable, within ten (10) Business Days the Agent shall reject the applicable Structured Finance Collateral Asset pursuant to Section 5.3.

Section 5.5. No Limitation on Recourse. The Obligations are full

recourse obligations of the Borrower and, to the extent provided in this Agreement, of the Guarantors, and all of their respective assets and other properties shall be available for the indefeasible payment in full in cash and performance of the Obligations as and when due and payable.

Section 5.6. Additional Guarantors. If Borrower desires that an asset owned by a Related Company which is not previously a Guarantor become a Structured Finance Collateral Asset, then provided that the applicable Related Company is a direct or indirect Subsidiary of Borrower or any Guarantor, such Related Company may become a Guarantor upon delivery to the Agent of the following, all in form and substance reasonably satisfactory to the Agent: (a) a supplement to this Agreement executed and delivered by the such proposed Guarantor assenting to be bound by all the terms of the Loan Documents as a Guarantor, and (b) good standing certificates, general partner certificates, secretary certificates, opinions of counsel and such other documents as may be reasonably requested by the Agent. The Agent shall promptly provide copies of said documents to the Lenders.

Section 6. REPRESENTATIONS AND WARRANTIES. The Borrower and the Guarantors jointly and severally represent and warrant to the Agent and each of the Lenders as follows:

Section 6.1. Authority; Etc.

-30-

(a) Organization; Good Standing. The Company (i) is a Maryland corporation duly organized, validly existing and in good standing under the laws of the State of Maryland, (ii) has all requisite power to own its properties and conduct its business as now conducted and as presently contemplated, and (iii) to the extent required by law is in good standing as a foreign entity and is duly authorized to do business in the States in which any of the Collateral is located and in each other jurisdiction where such qualification is necessary except where a failure to be so qualified in such other jurisdiction would not have a Material Adverse Effect. The Borrower is a Delaware limited partnership, and each of the Borrower and each Guarantor is duly organized, validly existing and in good standing under the laws of the State of its formation, has all requisite power to own its properties and conduct its business as presently contemplated and is duly authorized to do business in the States in which any of the Collateral owned by it is located and in each other jurisdiction where such qualification is necessary except where a failure to be so qualified in such other jurisdiction would not have a Material Adverse Effect.

(b) Authorization. The execution, delivery and performance of this Agreement and the other Loan Documents to which the Borrower is or is to become a party and the transactions contemplated hereby and thereby (i) are within the authority of the Borrower, (ii) have been duly authorized by all necessary proceedings on the part of the Borrower and the Company as general partner of Borrower, (iii) do not conflict with or result in any breach or contravention of any provision of law, statute, rule or regulation to which the Borrower or the Company is subject or any judgment, order, writ, injunction, license or permit applicable to the Borrower or the Company and (iv) do not conflict with any provision of the Borrower's partnership agreement or Company's charter documents or bylaws, or any agreement (except agreements as to which such a conflict would not result in a Material Adverse Effect) or other instrument binding upon, the Borrower or the Company or to which any of their properties are subject. The execution, delivery and performance of this Agreement or the other Loan Documents to which any Guarantor is or is to become a party and the transactions contemplated hereby and thereby (i) are within the authority of such Guarantor, (ii) have been duly authorized by all necessary proceedings on the part of such Guarantor, (iii) do not conflict with or result in any breach or contravention of any provision of law, statute, rule or regulation to which such Guarantor is subject or any judgment, order, writ, injunction, license or permit applicable to such Guarantor and (iv) do not conflict with any provision of such Guarantor's charter documents or bylaws, partnership agreement, declaration of trust, or any agreement (except agreements as to which such a conflict would not result in a Material Adverse Effect) or other instrument binding upon such Guarantor or to which any of such Guarantor's properties are subject.

(c) Enforceability. The execution and delivery of this Agreement, the other Loan Documents to which the Borrower is or is to become a party will result in valid and legally binding obligations of the Borrower enforceable against it in accordance with the respective terms and provisions hereof and thereof, except as enforceability is limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors' rights and except to the extent that availability of the remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding therefor may be brought. The execution and delivery of this Agreement and the other Loan Documents to which any Guarantor is or is to become a party will result in valid and legally binding obligations of such Guarantor enforceable against such Guarantor in accordance with the respective terms and provisions hereof and thereof, except as enforceability is limited by

-31-

bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors' rights and except to the extent that availability of the remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding therefor may be brought.

Section 6.2. Governmental Approvals. The execution, delivery and performance by the Borrower and each Guarantor of this Agreement and the other

Loan Documents to which the Borrower or such Guarantor is or is to become a party and the transactions contemplated hereby and thereby do not require the approval or consent of, or filing with, any governmental agency or authority other than those already obtained.

Section 6.3. Title to Properties.

(a) Either the Borrower or a Guarantor holds good and unencumbered title to their respective legal and beneficial interest in the Structured Finance Collateral Assets, subject to no Liens other than those in favor of the Agent under the Loan Documents.

(b) Except as indicated on Schedule 6.3 hereto, the Borrower or a Subsidiary holds good and marketable fee simple title to, or holds a marketable leasehold interest pursuant to a Ground Lease of, all of the properties reflected in the balance sheet of the Borrower as at December 31, 2000 or acquired since that date (except properties sold or otherwise disposed of in the ordinary course of business since that date).

Section 6.4. Financial Statements. The following financial statements have been furnished to the Agent.

(a) A balance sheet of the Company as of December 31, 2000, and a statement of operations and statement of cash flows of the Company for the fiscal year then ended, a balance sheet of the Borrower as of December 31, 2000, and a statement of operations and statement of cash flows of the Borrower for the fiscal year then ended, all accompanied by an auditor's report prepared without qualification by Ernst & Young. Such balance sheets and statements of operations and of cash flows have been prepared in accordance with Generally Accepted Accounting Principles and fairly present the financial condition of the Borrower and the Company, respectively as at the close of business on the date thereof and the results of operations and cash flows for the fiscal year then ended. There are no contingent liabilities of the Borrower or the Company, respectively, as of such date involving material amounts, known to the officers of the Company not disclosed in said balance sheet and the related notes thereto.

(b) A balance sheet and a statement of operations and statement of cash flows of the Company and a balance sheet and a statement of operations and statement of cash flows of the Borrower for each of the fiscal quarters of the Company ended since December 31, 2000 but prior to the Effective Date for which the Company has filed form 10-Q with the SEC, which the Company's Responsible Officer certifies has been prepared in accordance with Generally Accepted Accounting Principles consistent with those used in the preparation of the annual audited statements delivered pursuant to paragraph (a) above and fairly represents the financial condition of the Company and the Borrower, respectively, as at the close of business on the dates thereof and the results of operations and of cash flows for the fiscal quarters then ended (subject

-32-

to year-end adjustments). There are no contingent liabilities of the Borrower or the Company as of such dates involving material amounts, known to the officers of the Company, not disclosed in such balance sheets and the related notes thereto.

Section 6.5. No Material Changes, Etc. Since September 30, 2001, there has occurred no material adverse change in the financial condition or assets or business of the Borrower as shown on or reflected in the balance sheet of the Borrower as of September 30, 2001, or the statement of income for the fiscal year then ended, other than changes in the ordinary course of business that have not had any Material Adverse Effect either individually or in the aggregate.

Section 6.6. Franchises, Patents, Copyrights, Etc. The Borrower and each Guarantor possesses all franchises, patents, copyrights, trademarks, trade names, licenses and permits, and rights in respect of the foregoing, adequate for the conduct of its business substantially as now conducted without known conflict with any rights of others, except to the extent the Borrower's or such Guarantor's failure to possess the same does not have a Material Adverse Effect.

Section 6.7. Litigation. Except as listed and described on Schedule 6.7 hereto, there are no actions, suits, proceedings or investigations of any kind pending or, to Borrower's knowledge, threatened against the Borrower, any Guarantor or any of the Related Companies before any court, tribunal or administrative agency or board that, if adversely determined, might, either in any case or in the aggregate, have a Material Adverse Effect or materially impair the right of the Borrower, any Guarantor or any of the Related Companies to carry on business substantially as now conducted by it, or which question the validity of this Agreement or any of the other Loan Documents, any action taken or to be taken pursuant hereto or thereto, or which would result in a Lien on any Structured Finance Collateral Asset.

Section 6.8. No Materially Adverse Contracts, Etc. Neither the Borrower nor the Company nor any other Guarantor is subject to any charter, trust or other legal restriction, or any judgment, decree, order, rule or regulation that has or is expected in the future to have a Material Adverse Effect. Neither the Borrower nor the Company is a party to any contract or agreement that has or is expected, in the judgment of the Company's officers, to have any Material Adverse Effect.

Section 6.9. Compliance With Other Instruments, Laws, Etc. Neither the Borrower nor the Company nor any other Guarantor is in violation of any provision of the Borrower's partnership agreement or of the Company's charter documents, by-laws, or any agreement or instrument to which it may be subject or by which it or any of its properties may be bound or any decree, order, judgment, statute, license, rule or regulation, in any of the foregoing cases in a manner that could result in the imposition of substantial penalties or have a

Section 6.10. Tax Status. Each of the Borrower and the Company and each other Guarantor (a) has made or filed all federal and state income and all other tax returns, reports and declarations required by any jurisdiction to which it is subject, and (b) has paid all taxes and other governmental assessments and charges shown or determined to be due on such returns, reports and declarations, except those being contested in good faith and by appropriate proceedings. There are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and the officers of the Company know of no basis for any such claim.

-33-

Section 6.11. Event of Default. No Default or Event of Default has occurred and is continuing hereunder. No "Default" or "Event of Default" (as such terms are defined in the Existing Credit Facility) has occurred and is continuing under the Existing Credit Facility.

Section 6.12. Investment Company Act. Neither the Borrower nor the Company is an "investment company", or an "affiliated company" or a "principal underwriter" of an "investment company", as such terms are defined in the Investment Company Act of 1940.

Section 6.13. Absence of Financing Statements, Etc. There is no financing statement, security agreement, chattel mortgage, real estate mortgage, equipment lease, financing lease, option, encumbrance or other document existing, filed or recorded with any filing records, registry, or other public office, that purports to cover, affect or give notice of any present or possible future lien or encumbrance on, or security interest in, any Structured Finance Collateral Asset, other than as required by the Pledge and Security Agreement in favor of the Agent.

Section 6.14. Status of the Company. The Company (i) is a real estate investment trust as defined in Section 856 of the Code (or any successor provision thereto), (ii) has not revoked its election to be a real estate investment trust, (iii) has not engaged in any "prohibited transactions" as defined in Section 856(b)(6)(iii) of the Code (or any successor provision thereto), and (iv) for its current "tax year" (as defined in the Code) is, and for all prior tax years subsequent to its election to be a real estate investment trust has been, entitled to a dividends paid deduction which meets the requirements of Section 857 of the Internal Revenue Code. The common stock of the Company is listed for trading on the New York Stock Exchange.

Section 6.15. Certain Transactions. Except as set forth on Schedule 6.15 hereto, none of the officers or employees of the Borrower or any Guarantor is presently a party to any transaction with the Borrower or any Guarantor (other than for services as employees, officers and trustees), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from any officer, trustee or such employee or, to the knowledge of the Borrower and the Company, any corporation, partnership, trust or other entity in which any officer, trustee or any such employee or natural Person related to such officer, trustee or employee or other Person in which such officer, trustee or employee has a direct or indirect beneficial interest has a substantial interest or is an officer or trustee.

Section 6.16. Benefit Plans; Multiemployer Plans; Guaranteed Pension Plans. As of the date hereof, neither the Borrower nor any ERISA Affiliate maintains or contributes to any Employee Benefit Plan, Multiemployer Plan or Guaranteed Pension Plan, except as may be set forth on Schedule 6.16. To the extent that Borrower or any ERISA Affiliate hereafter maintains or contributes to any Employee Benefit Plan or Guaranteed Pension Plan, it shall at all times do so in compliance with Section 7.17 hereof. None of the assets of the Borrower or any of the Guarantors is "plan assets" of any Employee Benefit Plan for purposes of Title I of ERISA.

Section 6.17. Regulations U and X. No portion of any Loan is to be used for the purpose of purchasing or carrying any "margin security" or "margin stock" as such terms are used in Regulations U and X of the Board of Governors of the Federal Reserve System, 12 C.F.R. Parts 221 and 224.

-34-

Section 6.18. Environmental Compliance. Except as disclosed in Schedule 6.18 hereto, to the best knowledge of the Borrower:

(a) The Borrower, the Guarantors and the Related Companies are in compliance with all Environmental Laws pertaining to any hazardous waste, as defined by 42 U.S.C. Section 9601(5), any Hazardous Materials as defined by 42 U.S.C. Section 9601(14), any pollutant or contaminant as defined by 42 U.S.C. Section 9601(33) or any toxic substances, oil or hazardous materials or other chemicals or substances regulated by any Environmental Laws ("Hazardous Materials") the failure with which to comply would have a Material Adverse Effect. None of the Properties and no other property used by the Borrower, the Guarantors or the Related Companies is included or proposed for inclusion on the National Priorities List issued pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 as amended ("CERCLA"), or on the Comprehensive Environmental Response Compensation and Liability Information System maintained by the United States Environmental Protection Agency (the "EPA") or on any analogous list maintained by any other Governmental Authority and has not otherwise been identified by the EPA as a potential CERCLA site.

(b) The Borrower, the Guarantors and the Related Companies have not, at any time, and, to the actual knowledge of the Borrower, no other Person has at any time, used, handled, stored, buried, retained, refined,

transported, processed, manufactured, generated, produced, spilled, released, allowed to seep, escape or leach, or pumped, poured, emitted, emptied, discharged, injected, dumped, transferred or otherwise disposed of, any Hazardous Materials at or about the Real Estate Assets or any other real property owned or occupied by the Borrower, any Guarantor or any Related Company, except (i) for use and storage for use of reasonable amounts of ordinary supplies and other substances customarily used in the operation of commercial office buildings; provided, however, that such use and/or storage for use is in substantial compliance with applicable Environmental Law, or (ii) where such action is not reasonably expected to have a Material Adverse Effect.

(c) No actions, suits, or proceedings have been commenced, are pending or, to the actual knowledge of the Borrower, are threatened in writing with respect to any Environmental Law governing the use, manufacture, storage, treatment, Release, disposal, transportation, or processing of Hazardous Materials with respect to any Real Estate Asset or any part thereof which could have a Material Adverse Effect. The Borrower, the Guarantors and the Related Companies have received no written notice of and have no actual knowledge of any fact, condition, occurrence or circumstance which could reasonably be expected to give rise to a claim under or pursuant to any existing Environmental Law pertaining to Hazardous Materials on, in, under or originating from any Real Estate Asset or any part thereof or any other real property owned or occupied by the Borrower or any Guarantor or arising out of the conduct of any Borrower or any Guarantor, including claims for the presence of Hazardous Materials at any other property, which in any case is reasonably expected to have a Material Adverse Effect.

(d) Other than as set forth in reviews, reports and surveys copies of which have been delivered to the Agent, there have occurred no uses, manufactures, storage, treatments, Releases, disposals, transportation, or processing of Hazardous Materials with respect to any Real Estate Asset except those which, taken as a whole, would not have a Material Adverse Effect.

-35-

Section 6.19. Subsidiaries and Affiliates. The Borrower has no Subsidiaries except for the Related Companies listed on Schedule 1.3 and does not have an ownership interest in any entity whose financial statements are not consolidated with the Borrower's except for the Unconsolidated Entities listed on Schedule 1.3. Except as set forth on Schedule 6.19: (a) the Company is not a partner in any partnership other than Borrower and is not a member of any limited liability company and (b) the Company owns no material assets other than its partnership interest in Borrower.

Section 6.20. Loan Documents. All of the representations and warranties of the Borrower or any Guarantor made in the other Loan Documents or any document or instrument delivered or to be delivered to the Agent or the Lenders pursuant to or in connection with any of such Loan Documents are true and correct in all material respects.

Section 6.21. [Intentionally Omitted].

Section 6.22. Indebtedness. The Borrower and the Guarantors have no Indebtedness except (a) as set forth on Schedule 6.22 hereto and (b) as otherwise permitted by this Agreement. Schedule 6.22 hereto accurately sets forth the outstanding principal amounts and the maturity dates of all Indebtedness for borrowed money of the Borrower and the Guarantors and certain of the Related Companies and identifies the holders of the obligations thereunder as of the Effective Date.

Section 6.23. Title/Status of Structured Finance Assets.

(a) [Intentionally Omitted].

(b) The Borrower and the Guarantors have good title to their respective ownership interests in each Structured Finance Collateral Asset, free and clear of any Liens other than the Liens of the Loan Documents. Except to the extent, if any, expressly set forth in the documents evidencing or securing such Structured Finance Collateral Asset and the Borrower's or the Guarantors' interests therein, which documents have been delivered to the Agent, (a) the Borrower and the Guarantors have not waived, modified, altered, satisfied, cancelled or subordinated any of documents evidencing or securing any of the Structured Finance Collateral Assets in any material respect, and (b) the real property underlying such Structured Finance Collateral Asset has not been released from the lien of any such Structured Finance Collateral Asset, nor has any maker been released from its obligations under any such Structured Finance Collateral Asset.

(c) To the best knowledge of the Borrower and the Guarantors, each Structured Finance Collateral Asset is the legal, valid and binding obligation of each party obligated thereunder, enforceable against such party in accordance with its terms, except as the enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, and similar laws affecting creditors' rights generally. Except as set forth on SCHEDULE 6.23, each Structured Finance Collateral Asset which is a Mortgage creates a valid Lien in the property which is the subject of such Mortgage Note.

(d) To the actual knowledge of Borrower and the Guarantors, each Structured Finance Collateral Asset was made in compliance with all applicable laws, and does not violate

-36-

any usury or similar law regulating the applicable maximum permitted rates of interest for loans, extensions of credit or forbearances.

(e) To the actual knowledge of Borrower and the Guarantors, each Structured Finance Collateral Asset evidences an undisputed, bona fide transaction completed in accordance in all material respects with the terms and provisions contained in any documents related thereto, and is genuine and free from adverse claims, setoffs, default, defenses, retainages, holdbacks and conditions precedent of any kind or character; and Borrower and the Guarantors have no notice from underlying obligator contesting the validity or collectability of any such Structured Finance Collateral Asset.

(f) To the actual knowledge of Borrower and the Guarantors, there is no proceeding pending for the total or partial condemnation of any property subject to a Structured Finance Collateral Asset; each property subject to such Structured Finance Collateral Asset is being used for the operation of a property, is in good repair and free and clear of any damage that would affect materially and adversely the value of the property subject to such Structured Finance Collateral Asset.

(g) [Intentionally Omitted].

(h) Neither Borrower nor the Guarantors nor any of their Subsidiaries has received notice that any real property underlying a Structured Finance Collateral Asset violates or fails to conform with any law, ordinance, regulation, standard, license or certificate in any manner that would cause a Material Adverse Effect.

(i) [Intentionally Omitted].

(j) [Intentionally Omitted].

(k) [Intentionally Omitted].

(l) To the actual knowledge of Borrower and the Guarantors, for those properties subject to a Structured Finance Collateral Asset in which the respective maker holds a leasehold estate, (i) the related Ground Lease is in full force and effect except as permitted by the applicable Structured Finance Collateral Asset and has not been modified or amended in any manner whatsoever, and (ii) there are no material defaults under such Ground Lease and no event has occurred, which but for the passage of time, or notice, or both, would constitute a material default under such Ground Lease.

(m) Except to the extent permitted under the definition of "Structured Finance Collateral Asset," (i) no Structured Finance Collateral Asset is in default beyond the expiration of any applicable grace or notice periods, and (ii) during the preceding twelve (12) months or such lesser period as Borrower or Guarantor has owned the Structured Finance Collateral Asset, there has been no default in the payment of regularly scheduled principal and interest thereunder.

-37-

Section 7. AFFIRMATIVE COVENANTS OF THE BORROWER. Borrower covenants and agrees as follows, so long as any Loan or Note is outstanding or the Lenders have any obligations to make Loans:

Section 7.1. Punctual Payment. The Borrower will unconditionally duly and punctually pay the principal and interest on the Loans and all other amounts provided for in the Notes, this Agreement, and the other Loan Documents all in accordance with the terms of the Notes, this Agreement and the other Loan Documents.

Section 7.2. Maintenance of Office. The Borrower will maintain its chief executive office in New York, New York or at such other place in the United States Of America as the Borrower shall designate upon written notice to the Agent to be delivered within fifteen (15) days of such change, where notices, presentations and demands to or upon the Borrower in respect of the Loan Documents may be given or made.

Section 7.3. Records and Accounts. The Borrower will, and will cause its Subsidiaries to, keep true and accurate records and books of account in which full, true and correct entries will be made in accordance with Generally Accepted Accounting Principles.

Section 7.4. Financial Statements, Certificates and Information. The Borrower will deliver to each of the Lenders:

(a) as soon as practicable, but in any event not later than ninety (90) days after the end of each fiscal year of the Borrower,

(i) the audited balance sheets of the Borrower and of the Company at the end of such year, and the related audited statements of operations and statements of cash flows for such year, each setting forth in comparative form the figures for the previous fiscal year and all such statements to be in reasonable detail, prepared in accordance with Generally Accepted Accounting Principles on a consolidated basis including the Borrower and the Related Companies, and accompanied by an auditor's report prepared without qualification by Ernst & Young or by such other independent certified public accountant as may be selected by Borrower and reasonably acceptable to the Agent; and

(ii) to the extent available to the Borrower, with respect to the Structured Finance Collateral Assets, annual operating and capital budgets, rent rolls (indicating leasing status and rental rates, and pending lease expirations), management reports and operating statements with respect to each property subject to a Structured Finance Collateral Asset all to be held by the Agent and the Lenders confidentially in accordance with standard practices;

(b) as soon as practicable, but in any event not later than forty-five (45) days after the end of each of the first three (3) fiscal quarters during each fiscal year of the Borrower,

(i) copies of the unaudited balance sheets of the Borrower and of the Company as at the end of such quarter, and the related unaudited statements of operations for the portion of the Borrower's fiscal year then elapsed, all in reasonable detail and

-38-

prepared in accordance with Generally Accepted Accounting Principles, together with a certification by the principal financial or accounting officer of the Company that the information contained in such financial statements fairly presents the financial position of the Borrower and of the Company on the date thereof (subject to year-end adjustments); provided, however, that for so long as the Borrower and the Company are filing Form 10-Q with the Securities and Exchange Commission ("SEC"), the delivery of a copy thereof pursuant to paragraph (e) of this Section 7.4 shall be deemed to satisfy this clause (i) of this paragraph (b); and

(ii) to the extent available to the Borrower, with respect to the Structured Finance Collateral Assets, rent rolls (indicating leasing status and rental rates, and pending lease expirations) and operating statements with respect to each property subject to a Structured Finance Collateral Asset.

(c) [Intentionally Omitted];

(d) simultaneously with the delivery of the financial statements referred to in subsections (a) and (b) above, a Compliance Certificate signed by a Responsible Officer of the Company (on behalf of the Borrower) and setting forth in reasonable detail computations evidencing compliance with the covenants contained herein and (if applicable) reconciliations to reflect changes in Generally Accepted Accounting Principles since the relevant date;

(e) as soon as practicable, but in any event not later than ninety (90) days after the end of each fiscal year of the Company, copies of the Form 10-K statement filed with the SEC for such fiscal year, and as soon as practicable, but in any event not later than forty-five (45) days after the end of each fiscal quarter, copies of the Form 10-Q statement filed with the SEC for such fiscal quarter, provided that in either case if the SEC has granted an extension for the filing of such statements, Borrower shall deliver such statements to the Agent simultaneously with the filing thereof with the SEC;

(f) promptly following the filing or mailing thereof, copies of all other material of a financial nature filed with the SEC or sent to the shareholders of the Company or to the limited partners of the Borrower and copies of all corporate press releases promptly upon the issuance thereof;

(g) from time to time as the Agent may reasonably request, all material notices, financial data and other information delivered to them by the obligor under any Structured Finance Collateral Asset as a condition of the contractual terms of such Structured Finance Collateral Asset; and

(h) from time to time such other financial data and information as the Agent may reasonably request including, without limitation, financial statements of any Unconsolidated Entities, it being understood and agreed to by the Borrower and the Guarantors that any information that the Borrower or any Guarantor may reasonably require or otherwise request as a contractual right as a holder of a Structured Finance Collateral Asset may be reasonably requested by the Agent provided that the Borrower will not be in default hereunder if it fails to

-39-

obtain same after reasonable efforts. All such information shall be held by the Agent and Lenders in a confidential manner in accordance with standard practices.

Section 7.5. Notices.

(a) Defaults. The Borrower will promptly notify the Agent in writing (and the Agent shall immediately thereafter notify the Lenders) of the occurrence of any Default or Event of Default. If any Person shall give any notice or take any other action in respect of a claimed default (whether or not constituting a Default or an Event of Default under this Agreement) under any note, evidence of Indebtedness, indenture or other obligation to which or with respect to which the Borrower, Guarantor or any of the Related Companies is a party or obligor, whether as principal or surety, and if the principal amount thereof exceeds \$3,000,000, and such default would permit the holder of such note or obligation or other evidence of Indebtedness to accelerate the maturity thereof, the Borrower shall forthwith give written notice thereof to the Agent and each of the Lenders, describing the notice or action and the nature of the claimed default.

(b) Environmental Events. The Borrower will promptly notify the Agent in writing (and the Agent shall promptly thereafter notify the Lenders) of any of the following events: (i) upon Borrower's obtaining knowledge of any violation of any Environmental Law regarding any property which is subject to any Structured Finance Collateral Asset or any Real Estate or Borrower's operations which violation could have a Material Adverse Effect; (ii) upon Borrower's obtaining knowledge of any potential or known Release, or threat of Release, of any Hazardous Material at, from, or into any property which is subject to any Structured Finance Collateral Asset or any Real Estate which it

reports in writing or is reportable by it in writing to any governmental authority and which is material in amount or nature or which could materially affect the value of such Structured Finance Collateral Asset or which could have a Material Adverse Effect; (iii) upon Borrower's receipt of any notice of violation of any Environmental Laws or of any Release or threatened Release of Hazardous Materials, including a notice or claim of liability or potential responsibility from any third party (including without limitation any federal, state or local governmental officials) and including notice of any formal inquiry, proceeding, demand, investigation or other action with regard to (A) Borrower's or any Person's operation of any property which is subject to any Structured Finance Collateral Asset or any Real Estate if the same would have a Material Adverse Effect, (B) contamination on, from or into any property which is subject to any Structured Finance Collateral Asset or any Real Estate if the same would have a Material Adverse Effect, or (C) investigation or remediation of off-site locations at which Borrower or any of its predecessors are alleged to have directly or indirectly disposed of Hazardous Materials; or (iv) upon Borrower's obtaining knowledge that any expense or loss has been incurred by such governmental authority in connection with the assessment, containment, removal or remediation of any Hazardous Materials with respect to which Borrower, Guarantor or any of the Related Companies may be liable or for which a lien may be imposed on a Structured Finance Collateral Asset or any property which is subject to any Structured Finance Collateral Asset.

(c) Notification of Liens Against Structured Finance Collateral Assets or Other Material Claims. The Borrower will, promptly upon becoming aware thereof, notify the Agent in writing (and the Agent shall promptly thereafter notify the Lenders) of any Liens placed upon

-40-

or attaching to any Structured Finance Collateral Assets or of any other setoff, claims (including environmental claims), withholdings or other defenses to any Structured Finance Collateral Asset.

(d) Notice of Litigation and Judgments. The Borrower will give notice to the Agent in writing (and the Agent shall promptly thereafter notify the Lenders) within fifteen (15) days of becoming aware of any litigation or proceedings threatened in writing or any pending litigation and proceedings affecting any of the Structured Finance Collateral Assets or affecting the Borrower, any Guarantor or any of the Related Companies or to which the Borrower, any Guarantor or any of the Related Companies is or is to become a party involving an uninsured claim (or as to which the insurer reserves rights) against the Borrower, any Guarantor or any of the Related Companies that at the time of giving of notice could reasonably be expected to have a Material Adverse Effect, and stating the nature and status of such litigation or proceedings. The Borrower will give notice to the Agent, in writing, in form and detail satisfactory to the Agent, within ten (10) days of any judgment not covered by insurance, final or otherwise, against the Borrower in an amount in excess of \$1,000,000.

Section 7.6. Existence; Maintenance of REIT Status; Maintenance of Properties. The Company will do or cause to be done all things necessary to preserve and keep in full force and effect its status as a "qualified real estate investment trust" under Section 856 of the Code and the existence of Borrower as a Delaware limited partnership. The common shares of beneficial interest of the Company will at all times be listed for trading on either the New York Stock Exchange or one of the other major stock exchanges. The Borrower will do or cause to be done all things necessary to preserve and keep in full force all of its rights and franchises which in the judgment of the Borrower may be necessary to properly and advantageously conduct the businesses being conducted by it, the Company, any of the Guarantors or any of the Related Companies. The Borrower (a) will cause all of the properties used or useful in the conduct of the business of Borrower, the Company, any of the Guarantors or any of the Related Companies to be maintained and kept in good condition, repair and working order and supplied with all necessary equipment, (b) will cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, all as in the judgment of the Borrower may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times, and (c) will continue to engage primarily in the businesses now conducted by it and in related businesses.

Section 7.7. Insurance. With respect to the Real Estate Assets and other properties and businesses of Borrower, the Guarantors and the Related Companies, the Borrower will maintain or cause to be maintained insurance with financially sound and reputable insurers against such casualties and contingencies as shall be in accordance with the general practices of businesses engaged in similar activities in similar geographic areas and in amounts, containing such terms, in such forms and for such periods as may be reasonable and prudent. Commercial general liability insurance shall include an excess liability policy with limits of at least \$50,000,000.

Section 7.8. Taxes. The Borrower will pay or will cause to be paid real estate taxes, other taxes, assessments and other governmental charges against the Real Estate Assets and the Structured Finance Collateral Assets (but shall have no obligation by reason of this Section 7.8 to pay any taxes on real property other than properties owned by the Borrower or any Related

-41-

Company) before the same become delinquent, and will duly pay and discharge, or cause to be paid and discharged, before the same shall become overdue, all taxes, assessments and other governmental charges imposed upon it and its other properties, sales and activities, or any part thereof, or upon the income or profits therefrom, as well as all claims for labor, materials, or supplies that if unpaid might by law become a lien or charge upon any of its properties; provided that any such tax, assessment, charge, levy or claim need not be paid

if the validity or amount thereof shall currently be contested in good faith by appropriate proceedings and if the Borrower shall have set aside on its books adequate reserves with respect thereto; and provided further that the Borrower will pay all such taxes, assessments, charges, levies or claims forthwith upon the commencement of proceedings to foreclose any lien that may have attached as security therefor.

Section 7.9. Inspection of Properties and Books. The Borrower shall permit the Lenders, through the Agent or any of the Lenders' other designated representatives, to examine and review any of the documentation related to any of the Structured Finance Collateral Assets, to examine the books of account of the Borrower, the Company, the other Guarantors and the Related Companies (and to make copies thereof and extracts therefrom) and to discuss the affairs, finances and accounts of the Borrower with, and to be advised as to the same by, its officers, all at such reasonable times and intervals as the Agent or any Lender may reasonably request.

Section 7.10. Compliance with Laws, Contracts, Licenses, and Permits. The Borrower and the Company will comply, and will cause each Guarantor and all Related Companies to comply, with (a) all applicable laws and regulations now or hereafter in effect wherever its business is conducted, including all Environmental Laws, (b) the provisions of all applicable partnership agreements, charter documents and by-laws, (c) all agreements and instruments to which it is a party or by which it or any of its Real Estate Assets may be bound including Ground Leases, and (d) all applicable decrees, orders, and judgments except (with respect to (a) through (d) above) to the extent such non-compliance would not have a Material Adverse Effect. If at any time any permit or authorization from any governmental Person shall become necessary or required in order that the Borrower or any Guarantor may fulfill or be in compliance with any of its obligations hereunder or under any of the Loan Documents or under any of the Collateral Documents, the Borrower will immediately take or cause to be taken all reasonable steps within the power of the Borrower to obtain such authorization, consent, approval, permit or license and furnish the Agent and the Lenders with evidence thereof.

Section 7.11. Use of Proceeds. Subject to the provisions of Section 2.5 hereof, the proceeds of the Loans may be used by the Borrower to pay the Prudential Facility, the costs and expenses of closing this Facility and for making Structured Finance Investments, provided, however, that no portion of any Loan may be used for the purpose of purchasing or carrying any "margin security" or "margin stock" as such terms are used in Regulations U and X of the Board of Governors of the Federal Reserve System, 12 C.F.R. Parts 221 and 224.

Section 7.12. Payment of Prudential Loan Facility. Borrower agrees to use the initial advance of Loans on the Effective Date to pay in full all loans and other obligations outstanding under its revolving credit facility (the "Prudential Facility") pursuant to that certain Amended and Restated Credit Agreement dated as of November 30, 2000 among Borrower, and Prudential Securities Credit Corp., LLC, as lender, as the same may have been amended from time to time.

-42-

Section 7.13. Notices of Significant Transactions. The Borrower will notify the Agent in writing prior to the closing of any of the following transactions pursuant to a single transaction or a series of related transactions:

(a) The sale or transfer of one or more Real Estate Assets for an aggregate sales price or other consideration of \$25,000,000 or more.

(b) The sale or transfer of the ownership interest of Borrower or any of the Related Companies in any of the Related Companies or the Unconsolidated Entities if the aggregate consideration received by the Borrower or the Related Companies in connection with such transaction exceeds \$15,000,000.

Each notice given pursuant to this Section 7.13 shall be accompanied by a Compliance Certificate including an updated list of Structured Finance Collateral Assets and demonstrating in reasonable detail compliance, after giving effect to the proposed transaction, with the covenants contained in Section 9.1 through Section 9.5.

Section 7.14. Further Assurance. The Borrower and the Guarantors will cooperate with the Agent and the Lenders and execute such further instruments and documents and perform such further acts as the Agent and the Lenders shall reasonably request to carry out the transactions contemplated by this Agreement and the other Loan Documents.

Section 7.15. Environmental Indemnification. The Borrower and the Guarantors jointly and severally covenant and agree that they will indemnify and hold the Agent and each Lender harmless from and against any and all claims, expense, damage, loss or liability incurred by the Agent or any Lender (including all reasonable costs of legal representation incurred by the Agent or any Lender, but excluding, as applicable, for the Agent or a Lender any claim, expense, damage, loss or liability as a result of the gross negligence or willful misconduct of the Agent or such Lender) relating to (a) any Release or threatened Release of Hazardous Materials on any property subject to any Structured Finance Collateral Asset or any Real Estate; (b) any violation of any Environmental Laws with respect to conditions at any property subject to any Structured Finance Collateral Asset or any Real Estate or the operations conducted thereon; or (c) the investigation or remediation of off-site locations at which the Borrower or its predecessors are alleged to have directly or indirectly disposed of Hazardous Materials. It is expressly acknowledged by the Borrower and the Guarantors that this covenant of indemnification shall survive the payment of the Loans and shall inure to the benefit of the Agent and the Lenders, and their successors and assigns.

Section 7.16. Response Actions. The Borrower and the Guarantors jointly and severally covenant and agree that if any Release or disposal of Hazardous Materials shall occur or shall have occurred on any Real Estate if the same would have a Material Adverse Effect, the Borrower will cause the prompt containment and removal of such Hazardous Materials and remediation of such Real Estate as necessary to comply with all Environmental Laws or to preserve the value of such Real Estate to the extent necessary to avoid a Material Adverse Effect.

Section 7.17. Employee Benefit Plans.

-43-

(a) Representation. The Borrower and its ERISA Affiliates do not currently maintain or contribute to any Employee Benefit Plan, Guaranteed Pension Plan or Multiemployer Plan, except as set forth on Schedule 6.16.

(b) Notice. The Borrower will obtain the consent of the Agent prior to the establishment of any Employee Benefit Plan or Guaranteed Pension Plan not listed on Schedule 6.16 by the Borrower or any ERISA Affiliate.

(c) In General. Each Employee Benefit Plan maintained by the Borrower or any ERISA Affiliate will be operated in compliance in all material respects with the provisions of ERISA and, to the extent applicable, the Code, including but not limited to the provisions thereunder respecting prohibited transactions.

(d) Terminability of Welfare Plans. With respect to each Employee Benefit Plan maintained by the Borrower or an ERISA Affiliate which is an employee welfare benefit plan within the meaning of Section 3(1) or Section 3(2)(B) of ERISA, each such plan provides that the Borrower, or the ERISA Affiliate, as the case may be, has the right to terminate each such plan at any time (or at any time subsequent to the expiration of any applicable bargaining agreement) without liability other than liability to pay claims incurred prior to the date of termination.

(e) Multiemployer Plans. Without the consent of the Agent, the Borrower will not enter into, maintain or contribute to, any Multiemployer Plan other than a Multiemployer Plan listed on Schedule 6.16.

(f) Unfunded or Underfunded Liabilities. The Borrower will not, at any time, have accruing unfunded or underfunded liabilities with respect to any Employee Benefit Plan, Guaranteed Pension Plan or Multiemployer Plan which, in the aggregate, would exceed \$5,000,000, and will take all reasonable steps to prevent the occurrence of any condition with respect to any Multiemployer Plan that would create a withdrawal liability in excess of \$5,000,000.

Section 7.18. Required Interest Rate Contracts. During all periods in which the LIBOR Rate (as determined in accordance with the terms of this Agreement) for Interest Periods of one month exceeds seven per cent (7.0%), the Borrower shall maintain in effect Interest Rate Contracts with counterparties and in form reasonably satisfactory to the Agent covering that portion of Borrower's Variable Rate Indebtedness equal to the amount by which Borrower's Variable Rate Indebtedness (other than any such Variable Rate Indebtedness hedged by Interest Rate Contracts with a term expiring no earlier than the earlier of the Maturity Date or the maturity of the Indebtedness so hedged) exceeds 30% of Total Debt.

Section 7.19. Forward Equity Contracts. If Borrower shall enter into any forward equity contracts, Borrower shall only settle same by the delivery of stock.

Section 7.20. Title/Status of Structured Finance Assets.

(a) Borrower and the Guarantors shall own and hold good title to their respective interest in each Structured Finance Collateral Asset free and clear of any Liens other than the Liens of the Loan Documents. Borrower, the Guarantors, and their Subsidiaries shall

-44-

not waive, modify, alter, satisfy, cancel or subordinate any Structured Finance Collateral Asset in any respect if the effect of such waiver, modification, alteration, satisfaction, cancellation or subordination is to cause a default under any covenant of this Agreement or any of the other Loan Documents.

(b) Each Structured Finance Collateral Asset shall be the legal, valid and binding obligation of each party obligated thereunder, enforceable against such party in accordance with its terms, except as the enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, and similar laws affecting creditors' rights generally. Each Mortgage which is a Structured Finance Collateral Asset shall create a valid Lien in the property which is the subject of the Mortgage Note. Each Structured Finance Collateral Asset shall be made in compliance with all applicable laws and shall not violate any usury or similar law regulating the applicable maximum permitted rates of interest of loans, extensions of credit or forbearances. Each Structured Finance Collateral Asset shall be free from adverse claims, setoffs, default, defenses, retainages, holdbacks and conditions precedent of any kind or character. In anticipation of a joint venture between the Borrower and The Prudential Insurance Company of America or an affiliate thereof with respect to the Structured Finance Collateral Asset known as Starret Lehigh and as more particularly described on Schedule 1.1 hereto, each of the Lenders acknowledges the Borrower's intention to restructure the ownership of Green Funding W26 LLC by assignment, amendment or otherwise, provided, however,

that (i) each of the Lenders expressly reserves the right, in all cases, to review and approve any such restructuring, and (ii) the Borrower hereby agrees to provide such documentation as the Lenders may reasonably request in connection with their due diligence review of such restructuring.

Section 8. CERTAIN NEGATIVE COVENANTS OF THE BORROWER. The Borrower covenants and agrees as follows, so long as any Loan or Note is outstanding or the Lenders have any obligation to make any Loans:

Section 8.1 Intentionally Omitted.

Section 8.2. Restrictions on Investments. The Borrower will not, and will not permit Guarantor or any of the Related Companies to make or permit to exist or to remain outstanding any Investment except Investments in:

(a) marketable direct or guaranteed obligations of the United States of America, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association or any agency or instrumentality of the United States of America provided such obligations are backed by the full faith and credit of the United States of America, that mature within one (1) year from the date of purchase by the Borrower;

(b) demand deposits, certificates of deposit, money market accounts, bankers acceptances eurodollar time deposits and time deposits of United States banks having total assets in excess of \$1,000,000,000 or repurchase obligations with a term of not more than 7 days with such banks for underlying securities of the type described in clause (a) of this Section 8.2;

(c) securities commonly known as "commercial paper" issued by a corporation organized and existing under the laws of the United States of America or any state thereof that at

-45-

the time of purchase have been rated and the ratings for which are not less than "P 1" if rated by Moody's Investors Services, Inc., and not less than "A 1" if rated by Standard and Poor's and participations in short term commercial loans made to such corporations by a commercial bank which provides cash management services to the Borrower;

(d) Investments existing or contemplated on the date hereof and listed on Schedule 8.2(d) hereto;

(e) Investments made in the ordinary course of the Borrower's business in Interest Rate Contracts;

(f) Intentionally Omitted;

(g) direct Investments in class B (or better) office properties (including the development of same) located in the city of New York, New York, any of Westchester, Rockland, Nassau, or Suffolk Counties in the state of New York, Fairfield County in the state of Connecticut, or any of Mercer County, Monmouth County or any county north thereof in the state of New Jersey, including fee simple and leasehold interests, in Real Estate Effective Control Assets, and in consolidated joint ventures in which the Borrower or its wholly-owned Subsidiary owns at least a 75% beneficial interest and has the right to control policy and management of the subject joint venture; and

(h) Investments in the following categories so long as the aggregate amount, without duplication, of all Investments described in this paragraph (h) does not exceed, at any time, twenty-five percent (25%) of Total Assets and the aggregate amount of each of the following categories of Investments does not exceed the specified percentage of Total Assets set forth in the following table:

Category of Investment	Maximum Percentage of Total Assets
--- Permitted Developments (calculated at total project cost)	10%
Unconsolidated Entities primarily engaged in the business of development or ownership of class B (or better) office real estate located in	20%

the greater
New York City
area
(calculated
at book value
of such
Investment)
Investment in
properties
(including
the
development
of 2% same)
acquired in
accordance
with the
provisions of
Section 1031
of the Code
(single
tenant,
triple net
leased to
tenant rated
"A" or better
by Standard &
Poor's
Ratings Group
or Moody's
Investors
Services,
Inc., minimum
remaining
lease term of
15 years)

-46-

Structured Finance Investments	15%
Other Investments in Real Estate Assets (including land) and in entities primarily engaged in the business of owning such assets	10%
Other Investments not otherwise specifically identified in this Section 8.2	10%

Section 8.3. Merger, Consolidation and Other Fundamental Changes. The Borrower will not, and will not permit the Company to, consolidate with or merge into any other Person or Persons, or sell, convey, assign, transfer, lease or otherwise dispose of all or substantially all of their respective business, property or fixed assets taken as a whole to any other Person, provided, however, that this Section 8.3 shall not be applicable to any merger or consolidation with respect to which all of the following are satisfied: (1) the surviving entity is Borrower, the Company or any Guarantor Subsidiary and there is no substantial change in senior management of the Company, (2) the other entity or entities involved in such merger or consolidation are engaged in the same line of business as Borrower, and (3) following such transaction, the Borrower and the Company will not be in breach of any of the covenants, representations or warranties of this Agreement. Except as set forth on Schedule 6.19, the Company will not own or acquire any material assets other than its partnership interests in the Borrower.

Section 8.4. Sale of Collateral. Neither the Borrower nor any Guarantor may sell, transfer or otherwise dispose of any Collateral unless all conditions precedent for the release of the Liens of the Secured Parties in such Collateral set forth in Section 14.14(b) have occurred.

Section 8.5. Compliance with Environmental Laws. The Borrower will not do, and will not permit the Company, any Guarantor or any of the other Related Companies to do, any of the following: (a) use any of the Real Estate or any portion thereof as a facility for the handling, processing, storage or disposal of Hazardous Materials except for immaterial amounts of Hazardous Materials used in the routine maintenance and operation of the Real Estate and in compliance with applicable law, (b) cause or permit to be located on any of the Real Estate any underground tank or other underground storage receptacle for Hazardous Materials except in material compliance with Environmental Laws, (c) generate any Hazardous Materials on any of the Real Estate except in material compliance with Environmental Laws, or (d) conduct any activity at any Real Estate or use any Real Estate in any manner so as to cause a Release.

Section 8.6. Distributions. Borrower shall not permit the total Distributions by it and the Company during any fiscal year to exceed 90% of Funds from Operations for such year, except that such limitation on Distributions may be exceeded to the extent necessary for the Company to maintain its REIT status. During any period when any Default or Event of Default has occurred and is continuing the total Distributions by the Borrower and the Company will not exceed the minimum amount necessary for the Company to maintain its REIT status. The Guarantor Subsidiaries will not make any Distributions except Distributions to Borrower or to the Company or to any Guarantor.

-47-

Section 8.7. Preferred Distributions. During any period when any Event of Default has occurred and is continuing no Preferred Distributions will be made.

Section 8.8. Preferred Redemptions. No payments of cash or cash equivalents by Borrower or the Company as consideration for the mandatory redemption or retirement of any preferred shares of beneficial interest in the Company, or any preferred units of limited partnership interest in Borrower, shall be made out of the proceeds of Indebtedness of the Borrower or any Guarantor.

Section 9. FINANCIAL COVENANTS OF THE BORROWER. The Borrower and the Company covenant and agree as follows, so long as any Loan or Note is outstanding or any Lender has any obligation to make any Loan:

Section 9.1. Adjusted Unsecured Debt Coverage. The Borrower will not at any time permit Adjusted Unsecured Debt to exceed 65% of Adjusted Unencumbered Asset Value.

Section 9.2. Minimum Debt Service Coverage. The Borrower will not at any time permit the ratio of Adjusted EBITDA for the Borrower, the Company and the Related Companies (on a consolidated basis in accordance with GAAP), to Interest Expense for the Borrower, the Company and the Related Companies (on a consolidated basis in accordance with GAAP), to be less than 2.0 to 1.0 for any fiscal quarter of Borrower.

Section 9.3. Total Debt to Total Assets. The Borrower and the Company will not at any time permit Total Debt to exceed fifty-five percent (55%) of Total Assets.

Section 9.4. Minimum Tangible Net Worth. The Borrower and the Company will not at any time permit the Tangible Net Worth of the Borrower and the Company to be less than an amount equal to the sum of (i) \$612,000,000 plus (ii) 75% of the amount of Net Offering Proceeds.

Section 9.5. Adjusted EBITDA to Fixed Charges. The Borrower and the Company will not at any time permit the ratio of its Adjusted EBITDA for the Borrower, the Company and the Related Companies (on a consolidated basis in accordance with GAAP) to Fixed Charges of the Borrower, the Company and the Related Companies (on a consolidated basis in accordance with GAAP) to be less than 1.75 to 1.0 for any fiscal quarter.

Section 9.6. Aggregate Occupancy Rate. The Borrower will not at any time permit the Aggregate Occupancy Rate to be less than eighty-five percent (85%).

Section 9.7. Value of All Unencumbered Assets. (i) The Borrower will not at any time permit the outstanding balance of Unsecured Indebtedness to be greater than fifty five percent (55%) of the Value of All Unencumbered Assets.

(ii) The Borrower will not at any time permit the Value of All Unencumbered Assets to be less than or equal to \$150,000,000.

Section 9.8. Amendments and Modifications to Section 9. (i) Notwithstanding anything in this Agreement to the contrary, none of the provisions of any of the foregoing Sections 9.1 through 9.7 of

-48-

this Agreement, and no Default or Event of Default arising from a breach of any of the provisions of any of the foregoing Sections 9.1 through 9.7 of this Agreement, may be amended, modified or waived without the written consent of the Requisite Lenders.

(ii) For purposes of the foregoing Sections 9.1 through 9.7 of this Agreement, if any change in Generally Accepted Accounting Principles after the Effective Date results in a material change in the calculation to be performed in any such section solely as a result of such change in Generally Accepted Accounting Principles, the Lenders and the Borrower shall negotiate in good faith a modification of any such covenants so that the economic effect of the calculation of such covenant(s) using Generally Accepted Accounting Principles as so changed is as close as feasible to what the economic effect of the calculation of such covenant(s) would have been using Generally Accepted Accounting Principles as in effect as of the Effective Date.

Section 10. CONDITIONS TO EFFECTIVENESS. This Agreement shall become effective when each of the following conditions precedent have been satisfied:

Section 10.1. Loan Documents. Each of this Agreement and the Notes shall have been duly executed and delivered by the respective parties thereto.

Section 10.2. Certified Copies of Organization Documents; Good Standing Certificates. The Agent shall have received (i) a Certificate of the Company to which there shall be attached complete copies of the Borrower's Limited Partnership Agreement and its Certificate of Limited Partnership, certified as of a recent date by the Secretary of State of Delaware, (ii) Certificates of Good Standing for the Borrower from the State of New York, (iii) a copy of the Company's articles of incorporation certified as of a recent date by the Maryland Secretary of State, (iv) Certificates of Good Standing for the Company from the State of Maryland and each State in which a Structured Finance Collateral Asset is located, and (v) certificates of good standing and certificates from the Borrower certifying as to true and complete copies of articles of incorporation, limited liability company agreements, partnership agreements or certificates of limited partnership, as the case may be, of each of the other Guarantors.

Section 10.3. By-laws; Resolutions. All action on the part of the Borrower and each Guarantor necessary for the valid execution, delivery and performance by the Borrower and each Guarantor of this Agreement and the other Loan Documents to which it is or is to become a party shall have been duly and effectively taken, and evidence thereof satisfactory to the Agent shall have been provided to the Agent. The Agent shall have received from the Company true copies of its by-laws and the resolutions adopted by its Board of Directors authorizing the transactions described herein, each certified by its secretary to be true and complete and in effect on the Effective Date.

Section 10.4. Incumbency Certificate; Authorized Signers. The Agent shall have received from the Company an incumbency certificate, dated as of the Effective Date, signed by a duly authorized officer of the Company and giving the name and bearing a specimen signature of each individual who shall be authorized: (a) to sign, in the name and on behalf of the Company (in its own capacity and as general partner on behalf of Borrower and on behalf of each Guarantor which is a partnership), each of the Loan Documents to which the Borrower or any Guarantor is

-49-

or is to become a party; (b) to make Loan Requests and Conversion Requests; and (c) to give notices and to take other action on behalf of the Borrower under the Loan Documents.

Section 10.5. Title Insurance; Lien Searches. The Agent shall have received, to the extent available to the Company, reasonably satisfactory evidence of title insurance respecting each of the properties subject to the Structured Finance Collateral Assets by way of copies of the most recent fully effective title insurance policies (or marked and signed title insurance binders to the extent such policies have not been issued or are not otherwise available).

Section 10.6. Opinions of Counsel Concerning Organization, Loan Documents and Collateral. Each of the Lenders and the Agent shall have received favorable opinions from Borrower's counsel addressed to the Lenders and the Agent and dated as of the Effective Date, in form and substance satisfactory to the Agent.

Section 10.7. Payment of Fees. The Borrower shall have paid to the Agent the fees pursuant to Section 4.1 and shall have paid all other expenses as provided in Section 15 hereof then outstanding.

Section 10.8. Pledge and Security Agreement and other Collateral Documents. The Borrower and the Guarantors shall have executed and delivered the Pledge and Security Agreement and any other Collateral Documents, duly executed by the Borrower and each Guarantor, together with:

(i) evidence reasonably satisfactory to the Agent that the Agent (for the benefit of the Secured Parties) has a valid and perfected first priority security interest in the Collateral, including (x) such documents duly executed by the Borrower and each Guarantor as the Agent may reasonably request with respect to the perfection of its security interests in the Collateral (including financing statements under the UCC, security agreements and other applicable documents under the laws of any jurisdiction with respect to the perfection of Liens created by the Pledge and Security Agreement), (y) copies of UCC search reports as of a recent date listing all effective financing statements that name the Borrower or any Guarantor as debtor, together with copies of such financing statements, none of which shall cover the Collateral except for those which shall be terminated on the Effective Date, and (z) evidence of termination and release of any existing Liens (including UCC-3 termination statements, releases and pay-off letters in respect of the Prudential Facility);

(ii) all notes and other instruments representing Collateral (in form and substance reasonably satisfactory to the Agent) being pledged pursuant to the Pledge and Security Agreement duly endorsed in favor of the Agent or in blank.

Section 11. CONDITIONS TO ALL CREDIT ADVANCES. The obligations of the Lenders to make any Loan, whether on or after the Effective Date, shall also be subject to the satisfaction of the following conditions precedent:

Section 11.1. Representations True; No Event of Default; Compliance Certificate. Each of the representations and warranties of the Borrower and the Company contained in this Agreement, the other Loan Documents or in any document or instrument delivered pursuant to or in

-50-

connection with this Agreement shall be true as of the date as of which they were made and shall also be true at and as of the time of the making of such Loan, with the same effect as if made at and as of that time (except (i) to the extent of changes resulting from transactions contemplated or permitted by this Agreement and the other Loan Documents, (ii) to the extent of changes occurring in the ordinary course of business that singly or in the aggregate are not materially adverse, and (iii) to the extent that such representations and warranties relate expressly to an earlier date); the Borrower shall have performed and complied with all terms and conditions herein required to be performed by it or prior to the Borrowing Date of such Loan; and no Default or Event of Default shall have occurred and be continuing on the date of any Loan Request or on the Borrowing Date of such Loan. Each of the Lenders shall have received a Compliance Certificate of the Borrower signed by a Responsible Officer to such effect, which certificate will include, without limitation, computations evidencing compliance with the covenants contained in Section 9.1 through Section 9.5 hereof after giving effect to such requested Loan.

Section 11.2. No Legal Impediment. No change shall have occurred in any law or regulations thereunder or interpretations thereof that in the reasonable opinion of any Lender would make it illegal for such Lender to make such Loan.

Section 11.3. Proceedings and Documents. All proceedings in connection with the transactions contemplated by this Agreement, the other Loan Documents and all other documents incident thereto shall be reasonably satisfactory in substance and in form to the Agent, and the Lenders shall have received all information and such counterpart originals or certified or other copies of such documents as the Agent may reasonably request.

Section 12. EVENTS OF DEFAULT; ACCELERATION; ETC

Section 12.1. Events of Default and Acceleration. If any of the following events ("Events of Default" or, if the giving of notice or the lapse of time or both is required, then, prior to such notice or lapse of time, "Defaults") shall occur:

(a) the Borrower shall fail to pay any principal of the Loans when the same shall become due and payable;

(b) the Borrower shall fail to pay any interest on the Loans or any other sums due hereunder or under any of the other Loan Documents (other than principal) within five (5) days after the same shall become due and payable;

(c) the Borrower or the Company shall fail to comply with any of its covenants contained in Section 7.5, Section 7.7, Section 7.13, Section 7.20, Section 8 or Section 9 hereof or the first or second sentences of Section 7.6;

(d) the Borrower or any Guarantor shall fail to perform any other term, covenant or agreement contained herein or in any of the other Loan Documents (other than those specified elsewhere in this Section 12) for thirty (30) days after written notice of such failure from Agent to the Borrower;

(e) any representation or warranty of the Borrower in this Agreement, any of the other Loan Documents or any other document or instrument delivered pursuant to or in

-51-

connection with this Agreement, shall prove to have been false in any material respect upon the date when made or deemed to have been made or repeated;

(f) (i) any "Event of Default", as such term is defined in the Existing Credit Facility, shall have occurred and be continuing under the Existing Credit Facility, whether or not the maturity of any obligations issued thereunder have been accelerated; or (ii) the Borrower, the Company, any Guarantor, any of the Related Companies or any Unconsolidated Entity shall fail to pay at maturity, or within any applicable period of grace, any Recourse Indebtedness (other than the Existing Credit Facility), or shall fail to observe or perform any material term, covenant or agreement contained in any agreement by which it is bound, evidencing or securing Recourse Indebtedness (other than the Existing Credit Facility) for such period of time as would permit (assuming the giving of appropriate notice if required) the holder or holders thereof or of any obligations issued thereunder to accelerate the maturity thereof, and in any event, such failure shall continue for thirty (30) days, unless the aggregate amount of all such defaulted Recourse Indebtedness is less than \$5,000,000.00;

(g) the Borrower, the Company, any Guarantor, any of the Related Companies or any Unconsolidated Entity shall fail to pay at maturity, or within any applicable period of grace, any Indebtedness other than Recourse Indebtedness, or shall fail to observe or perform any material term, covenant or agreement contained in any agreement by which it is bound, evidencing or securing Indebtedness other than Recourse Indebtedness for such period of time as would permit (assuming the giving of appropriate notice if required) the holder or holders thereof or of any obligations issued thereunder to accelerate the maturity thereof, and in any event, such failure shall continue for thirty (30) days, unless the aggregate amount of all such defaulted Indebtedness other than Recourse Indebtedness plus the amount of any unsatisfied judgments is less than \$15,000,000.00;

(h) (i) any of the Borrower, the Company or any Guarantor shall make an assignment for the benefit of creditors, or admit in writing its inability to pay or generally fail to pay its debts as they mature or become due, or shall petition or apply for the appointment of a trustee or other custodian, liquidator or receiver of any substantial part of its properties or shall commence any case or other proceeding under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation or similar law of any jurisdiction, now or hereafter in effect, or shall take any action to authorize or in furtherance of any of the foregoing, or if any such petition or application shall be filed or any such case or other proceeding shall be commenced against any such Person and such Person shall indicate its approval thereof, consent thereto or acquiescence therein, or (ii) any of the events described in clause (i) of this paragraph shall occur with respect to any other Related Company or any Unconsolidated Entity and such event shall have a Material Adverse Effect;

(i) (i) a decree or order is entered appointing any such trustee, custodian, liquidator or receiver or adjudicating the Borrower, the Company, or any Guarantor bankrupt or insolvent, or approving a petition in any such case or other proceeding, or a decree or order for relief is entered in respect of the Borrower, the Company, or any Guarantor in an involuntary case

under federal bankruptcy laws as now or hereafter constituted or (ii) any of the events described in clause (i) of this paragraph shall occur with respect to any other Related Company or any Unconsolidated Entity and such event shall have a Material Adverse Effect;

-52-

(j) there shall remain in force, undischarged, unsatisfied and unstayed, for more than thirty days, whether or not consecutive, any uninsured final judgment against the Borrower that, with other outstanding uninsured final judgments, undischarged, against the Borrower, the Company or any of the Related Companies, exceeds in the aggregate \$5,000,000.00;

(k) if any of the Loan Documents or any material provision of any Loan Documents shall be unenforceable, cancelled, terminated, revoked or rescinded otherwise than in accordance with the terms thereof or with the express prior written agreement, consent or approval of the Agent, or any action at law, suit or in equity or other legal proceeding to make unenforceable, cancel, revoke or rescind any of the Loan Documents shall be commenced by or on behalf of the Borrower or any Guarantor, or any court or any other governmental or regulatory authority or agency of competent jurisdiction shall make a determination that, or issue a judgment, order, decree or ruling to the effect that, any one or more of the Loan Documents is illegal, invalid or unenforceable in accordance with the terms thereof;

(l) one or more ERISA Events occurs which individually or in the aggregate results in or might reasonably be expected to result in liability of the Borrower or any of its ERISA Affiliates in excess of \$5,000,000 at any one time during the term of this Agreement; or if, at any one time, there exists an amount of unfunded pension liabilities (as defined in Section 4001(a)(18) of ERISA), individually or in the aggregate for all Guaranteed Pension Plans (excluding for purposes of such computation any Guaranteed Pension Plans with respect to which assets exceed benefit liabilities), which exceeds \$5,000,000;

(m) the Borrower or any Guarantor shall be indicted for a federal crime, a punishment for which could include the forfeiture of any assets of the Borrower;

(n) the Borrower shall fail to pay, observe or perform any term, covenant, condition or agreement contained in any agreement, document or instrument evidencing, securing or otherwise relating to any Indebtedness of the Borrower to any Lender (other than the Obligations) within any applicable period of grace provided for in such agreement, document or instrument;

(o) any Material Adverse Effect shall occur;

(p) any "Event of Default", as defined in any of the other Loan Documents shall occur; or

(q) any Collateral Document shall for any reason cease to create a valid Lien on any of the Collateral purported to be covered thereby or, except as permitted by the Loan Documents, such Lien shall cease to be a perfected and first priority Lien or the Borrower or any Guarantor shall so state in writing;

then, and in any such event, so long as the same may be continuing, the Agent may, and upon the request of the Requisite Lenders shall, by notice in writing to the Borrower declare all amounts owing with respect to this Agreement, the Notes and the other Loan Documents to be, and they shall thereupon forthwith become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrower; provided that in the event of any Event of Default specified in Sections 12.1(h) or 12.1(i), all such

-53-

amounts shall become immediately due and payable automatically and without any requirement of notice from the Agent or action by the Requisite Lenders.

Section 12.2. Termination of Commitments. If any one or more Events of Default specified in Section 12.1(h) or Section 12.1(i) shall occur, any unused portion of the Commitments hereunder shall forthwith terminate and the Lenders shall be relieved of all obligations to make Loans to the Borrower. If any other Event of Default shall have occurred and be continuing, the Agent, at the direction of the Majority Lenders, may by notice to the Borrower terminate the unused portion of the Commitments hereunder and upon such notice being given such unused portion of the Commitments hereunder shall terminate immediately and the Lenders shall be relieved of all further obligations to make Loans. No termination of the Commitments hereunder shall relieve the Borrower of any of the Obligations or any of its existing obligations to any Lender arising under other agreements or instruments.

Section 12.3. Remedies. In case any one or more of the Events of Default shall have occurred, and whether or not the Requisite Lenders shall have accelerated the maturity of the Loans pursuant to Section 12.1, each Lender, if owed any amount with respect to the Loans, may, with the consent of the Requisite Lenders, direct the Agent to proceed to protect and enforce the rights and remedies of the Agent and the Lenders under this Agreement, the Notes, the Collateral Documents or any of the other Loan Documents by suit in equity, action at law or other appropriate proceeding, whether for the specific performance of any covenant or agreement contained in this Agreement, the Collateral Documents, the other Loan Documents or any instrument pursuant to which the Obligations are evidenced and, if any amount shall have become due, by declaration or otherwise, to proceed to enforce the payment thereof or any other legal or equitable right of such Lender. No remedy herein conferred upon any

Lender or the Agent or the holder of any Note is intended to be exclusive of any other remedy and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or any other provision of law.

Section 12.4. Distribution of Enforcement Proceeds. In the event that, following the occurrence or during the continuance of any Default or Event of Default, the Agent or any Lender as the case may be, receives any monies in connection with the enforcement of any of the Loan Documents, such monies shall be distributed for application as follows:

(a) First, to the payment of, or (as the case may be) the reimbursement of the Agent for or in respect of all reasonable costs, expenses, disbursements and losses which shall have been incurred or sustained by the Agent in connection with the collection of such monies by the Agent, for the exercise, protection or enforcement by the Agent of all or any of the rights, remedies, powers and privileges of the Agent or the Lenders under this Agreement or any of the other Loan Documents or in support of any provision of adequate indemnity to the Agent against any taxes or liens which by law shall have, or may have, priority over the rights of the Agent to such monies;

(b) Second, to all other Obligations in such order or preference as the Requisite Lenders may determine; provided, however, that distribution in respect of such Obligations shall be made among the Lenders pro rata in accordance with each Lender's respective Commitment Percentage;

-54-

(c) Third, upon payment and satisfaction in full or other provisions for payment in full satisfactory to the Requisite Lenders and the Agent of all of the Obligations, to the payment of any obligations required to be paid pursuant to Section 9-504(1)(c) of the Uniform Commercial Code of the State of New York; and

(d) Fourth, the excess, if any, shall be returned to the Borrower or to such other Persons as are legally entitled thereto.

Section 13. SETOFF. During the continuance of any Event of Default, any deposits (general or specific, time or demand, provisional or final, regardless of currency, maturity, or the branch of where such deposits are held) or other sums credited by or due from any of the Lenders to the Borrower, the Company or any of the other Guarantors and any securities or other property of the Borrower, the Company or any of the other Guarantors in the possession of such Lender may be applied to or set off against the payment of Obligations and any and all other liabilities, direct, or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, of the Borrower to such Lender. Each of the Lenders agrees with each other Lender that (a) if an amount to be set off is to be applied to Indebtedness of the Borrower, the Company or any of the other Guarantors to such Lender, other than Indebtedness evidenced by the Notes held by such Lender, such amount shall be applied ratably to such other Indebtedness and to the Indebtedness evidenced by all such Notes held by such Lender, and (b) if such Lender shall receive from the Borrower, the Company or any of the other Guarantors, whether by voluntary payment, exercise of the right of setoff, counterclaim, cross action, enforcement of the claim evidenced by the Notes held by such Lender by proceedings against the Borrower, the Company or any of the other Guarantors at law or in equity or by proof thereof in bankruptcy, reorganization, liquidation, receivership or similar proceedings, or otherwise, and shall retain and apply to the payment of the Note or Notes held by such Lender any amount in excess of its ratable portion of the payments received by all of the Lenders with respect to the Notes held by all of the Lenders, such Lender will make such disposition and arrangements with the other Lenders with respect to such excess, either by way of distribution, pro tanto assignment of claims, subrogation or otherwise as shall result in each Lender receiving in respect of the Notes held by it its proportionate payment as contemplated by this Agreement; provided that if all or any part of such excess payment is thereafter recovered from such Lender, such disposition and arrangements shall be rescinded and the amount restored to the extent of such recovery, but without interest.

Section 14. THE AGENT

Section 14.1. Authorization. The Agent is authorized to take such action on behalf of each of the Lenders and to exercise all such powers as are hereunder and under any of the other Loan Documents and any related documents delegated to the Agent, together with such powers as are reasonably incident thereto, provided that no duties or responsibilities not expressly assumed herein or therein shall be implied to have been assumed by the Agent. The relationship between the Agent and the Lenders is and shall be that of agent and principal only, and nothing contained in this Agreement or any of the other Loan Documents shall be construed to constitute the Agent as a trustee for any Lender.

-55-

Section 14.2. Employees and Agents. The Agent may exercise its powers and execute its duties by or through employees or agents and shall be entitled to take, and to rely on, advice of counsel concerning all matters pertaining to its rights and duties under this Agreement and the other Loan Documents. The Agent may utilize the services of such Persons as the Agent in its sole discretion may reasonably determine, and all reasonable fees and expenses of such Persons shall be paid by the Borrower.

Section 14.3. No Liability to Lenders. Neither the Agent nor any of its shareholders, directors, officers or employees nor any other Person assisting them in their duties nor any agent or employee thereof, shall be liable to any Lender for any waiver, consent or approval given or any action taken, or omitted

to be taken, in good faith by it or them hereunder or under any of the other Loan Documents, or in connection herewith or therewith, or be responsible for the consequences of any oversight or error of judgment whatsoever, except that the Agent or such other Person, as the case may be, shall be liable for losses due to its willful misconduct or gross negligence.

Section 14.4. No Representations. The Agent shall not be responsible for the execution or validity or enforceability of this Agreement, the Notes, any of the other Loan Documents or any instrument at any time constituting, or intended to constitute, collateral security for the Notes, or for the value of any such collateral security or for the validity, enforceability or collectability of any such amounts owing with respect to the Notes, or for any recitals or statements, warranties or representations made herein or in any of the other Loan Documents or in any certificate or instrument hereafter furnished to it by or on behalf of the Borrower, or be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or in any instrument at any time constituting, or intended to constitute, collateral security for the Notes. The Agent shall not be bound to ascertain whether any notice, consent, waiver or request delivered to it by the Borrower or any Guarantor or any holder of any of the Notes shall have been duly authorized or is true, accurate and complete. The Agent has not made nor does it now make any representations or warranties, express or implied, nor does it assume any liability to the Lenders, with respect to the credit worthiness or financial condition of the Borrower, the Company or any of the other Guarantors. Each Lender acknowledges that it has, independently and without reliance upon the Agent or any other Lender, and based upon such information and documents as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender has been independently represented by separate counsel on all matters regarding this Agreement.

Section 14.5. Payments.

(a) A payment by the Borrower to the Agent hereunder or any of the other Loan Documents for the account of any Lender shall constitute a payment to such Lender subject to the pro rata rights to repayment based upon the Commitment Percentage of each Lender. Neither the Borrower nor any Guarantor shall have any obligation to see to the proper application by Agent of any amounts paid by any of them to the Agent for the account of the Lenders. The Agent agrees promptly to distribute to each Lender such Lender's pro rata share of payments received by the Agent for the account of the Lenders except as otherwise expressly provided herein or in any of the other Loan Documents.

-56-

(b) If in the opinion of the Agent the distribution of any amount received by it in such capacity hereunder, under the Notes or under any of the other Loan Documents might involve it in liability, it may refrain from making distribution until its right to make distribution shall have been adjudicated by a court of competent jurisdiction. If a court of competent jurisdiction shall adjudge that any amount received and distributed by the Agent is to be repaid, each Person to whom any such distribution shall have been made shall either repay to the Agent its proportionate share of the amount so adjudged to be repaid or shall pay over the same in such manner and to such Persons as shall be determined by such court.

(c) Notwithstanding anything to the contrary contained in this Agreement or any of the other Loan Documents, any Lender that fails (i) to make available to the Agent its pro rata share of any Loan or (ii) to comply with the provisions of Section 13 with respect to making dispositions and arrangements with the other Lenders, where such Lender's share of any payment received, whether by setoff or otherwise, is in excess of its pro rata share of such payments due and payable to all of the Lenders, in each case as, when and to the full extent required by the provisions of this Agreement, or to adjust promptly such Lender's outstanding principal and its pro rata Commitment Percentage as provided in Section 2.1 hereof, shall be deemed delinquent (a "Delinquent Lender") and shall be deemed a Delinquent Lender until such time as such delinquency is satisfied. A Delinquent Lender shall be deemed to have assigned any and all payments due to it from the Borrower under the Loan Documents, whether on account of outstanding Loans, interest, fees or otherwise, to the remaining nondelinquent Lenders for application to, and reduction of, their respective pro rata shares of all outstanding Loans. The Delinquent Lender hereby authorizes the Agent to distribute such payments to the nondelinquent Lenders in proportion to their respective pro rata shares of all outstanding Loans. A Delinquent Lender shall be deemed to have satisfied in full a delinquency when and if, as a result of application of the assigned payments to all outstanding Loans of the nondelinquent Lenders, the Lenders' respective pro rata shares of all outstanding Loans have returned to those in effect immediately prior to such delinquency and without giving effect to the nonpayment causing such delinquency.

(d) If any amount which the Agent is required to distribute to the Lenders pursuant to this Section 14.5 is actually distributed to any Lender on a date which is later than the first Business Day following the Agent's receipt of the corresponding payment from the Borrower, the Agent shall pay to such Lender on demand an amount equal to the product of (i) the average computed for the period referred to in clause (iii) below, of the weighted average interest rate paid by the Agent for federal funds acquired by the Agent during each day included in such period, times (ii) the amount of such late distribution to such Lender, times (iii) a fraction, the numerator of which is the number of days or portion thereof that elapsed from and including the second Business Day after the Agent's receipt of such corresponding payment from the Borrower to the date on which the amount so required to be distributed to such Lender actually is distributed, and the denominator of which is 365.

Section 14.6. Holders of Notes. The Agent may deem and treat the payee of any Note as the absolute owner or purchaser thereof for all purposes hereof until it shall have been furnished in writing with a different name by such

Section 14.7. Indemnity. The Lenders ratably agree hereby to indemnify and hold harmless the Agent from and against any and all claims, actions and suits (whether groundless or otherwise), losses, damages, costs, expenses (including any expenses for which the Agent has not been reimbursed by the Borrower and the Guarantors as required by Section 15), and liabilities of every nature and character arising out of or related to this Agreement, the Notes, or any of the other Loan Documents or the transactions contemplated or evidenced hereby or thereby, or the Agent's actions taken hereunder or thereunder, except to the extent that any of the same shall be directly caused by the Agent's willful misconduct or gross negligence.

Section 14.8. Agent as Lender. In its individual capacity, Fleet National Bank shall have the same obligations and the same rights, powers and privileges in respect to its Commitment and the Loans made by it, and as the holder of any of the Notes as it would have were it not also the Agent.

Section 14.9. Resignation. The Agent may resign at any time by giving sixty (60) days, prior written notice thereof to the Lenders and the Borrower; provided, however, that unless an Event of Default has occurred and is continuing, Fleet National Bank may not voluntarily resign as Agent under the provisions of this Agreement without the Borrower's consent. Upon any such resignation, the Requisite Lenders shall have the right to appoint a successor Agent. Unless a Default or Event of Default shall have occurred and be continuing, appointment of such successor Agent shall be subject to the reasonable approval of the Borrower. If no successor Agent shall have been so appointed by the Requisite Lenders and shall have accepted such appointment within thirty (30) days after the giving of notice of resignation or removal or if the Borrower (to the extent it has approval rights with respect to the successor Agent) has disapproved or failed to approve a successor agent within such period, then the retiring Agent may, on behalf of the Lenders, appoint a successor Agent, which shall be a financial institution having a rating of not less than A2/P2 or its equivalent by Standard & Poor's Corporation. Upon the acceptance of any appointment as Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations as Agent hereunder. After any retiring Agent's resignation, the provisions of this Agreement and the other Loan Documents shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as Agent.

Section 14.10. Notification of Defaults and Events of Default and other Notices. Each Lender hereby agrees that, upon learning of the existence of a Default or an Event of Default, it shall promptly notify the Agent thereof. The Agent hereby agrees that upon receipt of any notice under this Section 14.10, or upon its otherwise learning of the existence of a Default or an Event of Default, it shall promptly notify the other Lenders of the existence of such Default or Event of Default. The Agent shall also promptly provide each Lender with a copy of any notices which the Agent receives from the Borrower pursuant to Section 7.5 or Section 7.13.

Section 14.11. Duties in the Case of Enforcement. In case one or more Events of Default have occurred and shall be continuing, and whether or not acceleration of the Obligations shall have occurred, the Agent may, with the consent of the Requisite Lenders (which consents may be obtained orally in emergency situations), and the Agent shall, if (a) so requested by the Requisite Lenders and (b) the Lenders have provided to the Agent such additional indemnities

and assurances against expenses and liabilities as the Agent may reasonably request, proceed to enforce the provisions of the Loan Documents and exercise all or any such other legal and equitable and other rights or remedies as it may have. The Requisite Lenders may direct the Agent in writing as to the method and the extent of any such enforcement actions, the Lenders hereby agreeing to indemnify and hold the Agent harmless from all liabilities incurred in respect of all actions taken or omitted in accordance with such directions, provided that the Agent need not comply with any such direction to the extent that the Agent reasonably believes the Agent's compliance with such direction to be unlawful or commercially unreasonable in any applicable jurisdiction.

Section 14.12. Mandatory Resignation of Agent. The Agent shall be obligated to resign in accordance with, and subject to, the provisions of Section 14.9, without the consent of the Borrower, upon the written request of Lenders whose aggregate Commitments constitute at least sixty-six percent (66%) of the Total Commitment excluding the Commitment of the Lender which is then the Agent hereunder, provided such request is made for cause (provided, however, than in the case of a request for resignation of Fleet National Bank, as Agent, such cause must constitute gross negligence or willful misconduct), and provided further that the successor Agent actively administers credits of similar size and complexity to this Agreement and the Loans.

Section 14.13. Matters as to Borrower. (a) Except as expressly set forth in this Agreement, Borrower shall have no obligation to cause Agent or any of the Lenders to perform their respective obligations under this Agreement.

(b) Notwithstanding that a matter in question requires the consent, approval or direction of any or all of the Lenders, Borrower may rely exclusively on the written notice of Agent (which shall include evidence that such consent, approval or direction shall have been obtained in accordance with the provisions of Section 26 hereof, if applicable) that such consent, approval, or direction has been given or obtained to bind the Lenders.

Section 14.14. Concerning the Collateral and the Collateral Documents.

(a) Each Lender agrees that any action taken by the Agent or the Requisite Lenders (or, where required by the express terms of this Agreement, a greater proportion of the Lenders) in accordance with the provisions of this Agreement or of the other Loan Documents, and the exercise by the Agent or the Requisite Lenders (or, where so required, such greater proportion) of the powers set forth herein or therein, together with such other powers as are reasonably incidental thereto, shall be authorized and binding upon all of the Lenders. Without limiting the generality of the foregoing, the Agent shall have the sole and exclusive right and authority to (i) act as the disbursing and collecting agent for the Lenders with respect to all payments and collections arising in connection with the Collateral Documents; (ii) execute and deliver each Collateral Document and accept delivery of each such agreement delivered by the Borrower, any Guarantor or any of their respective Subsidiaries; (iii) act as collateral agent for the Lenders for purposes of the perfection of all security interests and Liens created by such agreements and all other purposes stated in the Collateral Documents; (iv) manage, supervise and otherwise deal with the Collateral; (v) take such action as is necessary or desirable to maintain the perfection and priority of the security interests and Liens created or purported to be created by the Collateral Documents; and (vi) except as may be otherwise specifically restricted by the terms hereof or of any other Loan Document, exercise all remedies given to the Agent and the Lenders as secured

-59-

parties with respect to the Collateral under the Collateral Documents relating thereto, applicable law or otherwise.

(b) Provided that no Event of Default has occurred and is continuing (but subject to the provisions of clause (ii) of this paragraph (b)), each of the Lenders hereby directs, in accordance with the terms hereof, the Agent to release any Lien held by the Agent for the benefit of the Lenders and the Agent hereby agrees that it shall release any such Lien:

- (i) against all of the Collateral, upon termination of the Commitments and payment and satisfaction in full of all Loans and all other Obligations which have matured and which the Agent has been notified in writing are then due and payable;
- (ii) against any Collateral sold or disposed of by the Borrower or a Guarantor or paid off by the underlying borrower or obligor, or no longer necessary to satisfy the Maximum Credit Amount limitation, which Collateral is specified to the Agent by the Borrower upon at least seven (7) days written notice, provided that (x) for so long as no Event of Default has occurred and is continuing, the principal amount of the Obligations is prepaid to the extent necessary to make the principal amount of the Obligations no more than equal to the Maximum Credit Amount after giving effect to the release of the Collateral (as certified to by the chief financial officer of the Borrower), and (y) during the occurrence and continuance of an Event of Default, (i) the Obligations are prepaid in an amount equal to 100% of the proceeds received by the Borrower from the sale or other disposition of such Collateral and (ii) the consent of the Requisite Lenders is obtained; and
- (iii) against any part of the Collateral, if such release is consented to by the Requisite Lenders.

Each of the Lenders hereby directs the Agent (and the Agent hereby agrees) to execute and deliver or file such termination and partial release statements and do such other things as are necessary to release Liens to be released pursuant to this Section 14.14 promptly upon the effectiveness of any such release.

Section 15. EXPENSES. The Borrower and each of the Guarantors jointly and severally agree to pay (a) the reasonable costs of producing and reproducing this Agreement, the other Loan Documents and the other agreements and instruments mentioned herein, (b) any taxes (including any interest and penalties in respect thereto) payable by the Agent or any of the Lenders (other than taxes based upon the Agent's or any Lender's net income), including any recording, mortgage, documentary or intangibles taxes in connection with the Loan Documents, or other taxes payable on or with respect to the transactions contemplated by this Agreement, including any taxes payable by the Agent or any of the Lenders after the Effective Date (the Borrower hereby agreeing to indemnify the Lenders with respect thereto), (c) all title examination costs, recording costs and the reasonable fees, expenses and disbursements of the Agent's counsel or

-60-

any local counsel to the Agent incurred in connection with the preparation, administration or interpretation of the Loan Documents and other instruments mentioned herein, and amendments, modifications, approvals, consents or waivers hereto or hereunder, (d) the fees, costs, expenses and disbursements of the Agent incurred in connection with the preparation, administration or

interpretation of the Loan Documents and other instruments mentioned herein including, without limitation, the costs incurred by the Agent in connection with its inspection of the Structured Finance Collateral Assets and the properties subject thereto, and the fees and disbursements of the Agent's counsel and the Borrower's legal counsel in preparing documentation, (e) legal fees and expenses incurred in connection with the Agent's (or any Lenders') review and analysis of any documentation relating to any Structured Finance Collateral Asset which the Borrower requests to become Collateral after the date of this Agreement, (f) all reasonable out-of-pocket expenses (including reasonable attorneys' fees and costs, which attorneys may be employees of any Lender or the Agent and the fees and costs of appraisers, engineers, investment bankers, surveyors or other experts retained by the Agent or any Lender in connection with any such enforcement proceedings) incurred by any Lender or the Agent in connection with (i) the enforcement of or preservation of rights under any of the Loan Documents against the Borrower or the Guarantors or the administration thereof after the occurrence of a Default or Event of Default (including, without limitation, expenses incurred in any restructuring and/or "workout" of the Loans), and (ii) any litigation, proceeding or dispute whether arising hereunder or otherwise, in any way related to the Agent's or the Lender's relationship with the Borrower, the Company, any Unconsolidated Entity or any of the Related Companies (but not including any dispute between the Agent (or any Lender) and any other Lender), (g) all reasonable fees, expenses and disbursements of the Agent incurred in connection with UCC searches, and (h) all costs incurred by the Agent in the future in connection with its reasonable inspection of the Structured Finance Collateral Assets. The covenants of this Section 15 shall survive payment or satisfaction of payment of amounts owing with respect to the Notes.

Section 16. INDEMNIFICATION. The Borrower and each of the Guarantors hereby jointly and severally agree to indemnify and hold harmless the Agent and the Lenders and the shareholders, directors, agents, officers, subsidiaries, and affiliates of the Agent and the Lenders from and against any and all claims, actions or causes of action and suits whether groundless or otherwise, and from and against any and all liabilities, losses, settlement payments, obligations, damages and expenses of every nature and character arising out of this Agreement or any of the other Loan Documents or the transactions contemplated hereby or which otherwise arise in connection with the financing including, without limitation except to the extent directly caused by the gross negligence or willful misconduct of a Lender or the Agent or any of the aforementioned indemnified parties (but such limitation on indemnification shall only apply to the Agent or Lender or any of the aforementioned indemnified parties being grossly negligent or committing willful misconduct), (a) any actual or proposed use by the Borrower of the proceeds of any of the Loans, (b) any actual or alleged infringement of any patent, copyright, trademark, service mark or similar right of the Borrower or any of the Guarantors, (c) the Borrower or any of the Guarantors entering into or performing this Agreement or any of the other Loan Documents, (d) with respect to the Borrower or any of the Guarantors and their respective properties, the violation of any Environmental Law, the Release or threatened Release of any Hazardous Materials or any action, suit, proceeding or investigation brought or threatened with respect to any Hazardous Materials (including, but not limited to claims with respect to wrongful

-61-

death, personal injury or damage to property), (e) any cost, claim liability, damage or expense in connection with any harm the Borrower or any of the Guarantors may be found to have caused in the role of a broker, in each case including, without limitation, the reasonable fees and disbursements of counsel incurred in connection with any such investigation, litigation or other proceeding, or (f) any interest of the Lenders or the Agent arising out of or as a result of the Collateral or the Collateral Documents, including, but not limited to, interests owned or held as Secured Parties and interests owned or held as a result of the exercise of remedies under the Loan Documents. In litigation, or the preparation therefor, the Lenders and the Agent shall each be entitled to select their own separate counsel and, in addition to the foregoing indemnity, the Borrower and each of the Guarantors jointly and severally agree to pay promptly the reasonable fees and expenses of such counsel. If, and to the extent that the obligations of the Borrower or any of the Guarantors under this Section 16 are unenforceable for any reason, the Borrower and each of the Guarantors jointly and severally agree to make the maximum contribution to the payment in satisfaction of such obligations which is permissible under applicable law. The provisions of this Section 16 shall survive the repayment of the Loans and the termination of the obligations of the Lenders hereunder and shall continue in full force and effect as to the Lenders so long as the possibility of any such claim, action, cause of action or suit exists.

Section 17. SURVIVAL OF COVENANTS, ETC. All covenants, agreements, representations and warranties made herein, in the Notes, in any of the other Loan Documents or in any documents or other papers delivered by or on behalf of the Borrower or any Guarantor pursuant hereto shall be deemed to have been relied upon by the Lenders and the Agent, notwithstanding any investigation heretofore or hereafter made by it, and shall survive the making by the Lenders of the Loans, as herein contemplated, and shall continue in full force and effect so long as any amount due under this Agreement or the Notes or any of the other Loan Documents remains outstanding or the Lenders have any obligation to make any Loans. The indemnification obligations of the Borrower and the Guarantors provided herein and the other Loan Documents shall survive the full repayment of amounts due and the termination of the obligations of the Lenders hereunder and thereunder to the extent provided herein and therein. All statements contained in any certificate or other paper delivered to the Agent or any Lender at any time by or on behalf of the Borrower or any of the Guarantors pursuant hereto or in connection with the transactions contemplated hereby (other than third party reports, such as engineering reports and environmental studies) shall constitute representations and warranties by the Borrower or any of the Guarantors hereunder.

Section 18. GUARANTY.

Section 18.1. Guaranty. Subject to Section 18.7 below, each of the Guarantors hereby, jointly and severally, unconditionally guarantees to each Lender and the Agent the prompt payment of the Guaranteed Obligations in full when due (whether at stated maturity, as a mandatory prepayment, by acceleration or otherwise) (the "Guaranty"). The Guarantors additionally, jointly and severally, unconditionally guarantee to each Lender and the Agent the timely performance of all other obligations of the Borrower under the Loan Documents. This Guaranty is a guaranty of payment and not of collection and is a continuing guaranty and shall apply to Guaranteed Obligations whenever arising.

-62-

Section 18.2. Obligations Unconditional. The obligations of the Guarantors hereunder are absolute and unconditional, irrespective of the value, genuineness, validity, regularity or enforceability of any of the Guaranteed Obligations or any of the Loan Documents, or any other agreement or instrument referred to therein, to the fullest extent permitted by applicable law, irrespective of any other circumstance whatsoever which might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor. Each Guarantor agrees that this Guaranty may be enforced by the Agent, on behalf of the Lenders, without necessity at any time of resorting to or exhausting any other security or collateral and without the necessity at any time of having recourse to the Notes, any other of the Loan Documents or the Collateral, and each Guarantor hereby waives the right to require the Lenders to proceed against the Borrower or any other Person (including a co-guarantor) or to require the Lenders to pursue any other remedy or enforce any other right. Each Guarantor further agrees that it shall have no right of subrogation, indemnity, reimbursement or contribution against the Borrower or any other Guarantor of the Guaranteed Obligations for amounts paid under this Guaranty until such time as the Lenders have been paid in full, all Commitments under this Agreement have been terminated, and no Person or governmental authority shall have any right to request any return or reimbursement of funds from the Lenders in connection with monies received under the Loan Documents. Each Guarantor further agrees that nothing contained herein shall prevent the Agent or the Lenders from suing on the Notes or any of the other Loan Documents or foreclosing their security interest in or Lien on the Collateral or from exercising any other rights available to them under this Agreement, the Notes, any other of the Loan Documents, or any other instrument of security, if any, and the exercise of any of the aforesaid rights and the completion of any foreclosure proceedings shall not constitute a discharge of any Guarantor's obligations hereunder; it being the purpose and intent of each Guarantor that its obligations hereunder shall be absolute, independent and unconditional under any and all circumstances. Neither any Guarantor's obligations under this Guaranty nor any remedy for the enforcement thereof shall be impaired, modified, changed or released in any manner whatsoever by an impairment, modification, change, release or limitation of the liability of the Borrower or by reason of the bankruptcy or insolvency of the Borrower. Each Guarantor waives any and all notice of the creation, renewal, extension or accrual of any of the Guaranteed Obligations and notice of or proof of reliance of by, the Agent or any Lender upon this Guaranty or acceptance of this Guaranty. The Guaranteed Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon this Guaranty. All dealings between the Borrowers and any of the Guarantors, on the one hand, and the Agent and the Lenders, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon this Guaranty.

Section 18.3. Modifications. Each Guarantor agrees that (a) all or any part of the security now or hereafter held for the Guaranteed Obligations, if any, may be exchanged, compromised or surrendered from time to time; (b) the Lenders shall not have any obligation to protect, perfect, secure or insure any such security interests, Liens or encumbrances now or hereafter held, if any, for the Guaranteed Obligations or the properties subject thereto; (c) the time or place of payment of the Guaranteed Obligations may be changed or extended, in whole or in part, to a time certain or otherwise, and may be renewed or accelerated, in whole or in part; (d) the Borrower and any other party liable for payment under the Loan Documents may be granted indulgences generally; (e) any of the provisions of the Notes or any of the other Loan Documents may be modified, amended or waived; (f) any party (including any co-guarantor) liable for the payment thereof

-63-

may be granted indulgences or be released; and (g) any deposit balance for the credit of the Borrower or any other party liable for the payment of the Guaranteed Obligations or liable upon any security therefor may be released, in whole or in part, at, before or after the stated, extended or accelerated maturity of the Guaranteed Obligations, all without notice to or further assent by such Guarantor, which shall remain bound thereon, notwithstanding any such exchange, compromise, surrender, extension, renewal, acceleration, modification, indulgence or release. Each Guarantor hereby appoints the Borrower as its agent to execute and deliver any amendments to or modifications or waivers of the Loan Documents, and the Agent and the Lenders may rely on such appointment until such time as a Guarantor advises the Agent and the Lenders in writing that the Borrower is no longer authorized to so act as its agent.

Section 18.4. Waiver of Rights. Each Guarantor expressly waives to the fullest extent permitted by applicable law: (a) notice of acceptance of this Guaranty by the Lenders and of all extensions of credit to the Borrower by the Lenders; (b) presentment and demand for payment or performance of any of the Guaranteed Obligations; (c) protest and notice of dishonor or of default (except as specifically required in this Agreement) with respect to the Guaranteed Obligations or with respect to any security therefor; (d) notice of the Lenders obtaining, amending, substituting for, releasing, waiving or modifying any security interest, Lien or encumbrance, if any, hereafter securing the Guaranteed Obligations, or the Lenders' subordinating, compromising, discharging

or releasing such security interests, Liens or encumbrances, if any; (e) all other notices to which such Guarantor might otherwise be entitled; and (f) demand for payment under this Guaranty.

Section 18.5. Reinstatement. The obligations of the Guarantors under this Section 18 shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of any Person in respect of the Guaranteed Obligations is rescinded or must be otherwise restored by any holder of any of the Guaranteed Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise, and each Guarantor agrees that it will indemnify the Agent and each Lender on demand for all reasonable costs and expenses (including, without limitation, reasonable fees of counsel) incurred by the Agent or such Lender in connection with such rescission or restoration, including any such costs and expenses incurred in defending against any claim alleging that such payment constituted a preference, fraudulent transfer or similar payment under any bankruptcy, insolvency or similar law.

Section 18.6. Remedies. The Guarantors agree that, as between the Guarantors, on the one hand, and the Agent and the Lenders, on the other hand, the Guaranteed Obligations may be declared to be forthwith due and payable as provided in Section 12 hereof (and shall be deemed to have become automatically due and payable in the circumstances provided in Section 12 hereof) notwithstanding any stay, injunction or other prohibition preventing such declaration (or preventing such Guaranteed Obligations from becoming automatically due and payable) as against any other Person and that, in the event of such declaration (or such Guaranteed Obligations being deemed to have become automatically due and payable), such Guaranteed Obligations (whether or not due and payable by any other Person) shall forthwith become due and payable by the Guarantors.

Section 18.7. Limitation of Guaranty. Notwithstanding any provision to the contrary contained herein or in any of the other Loan Documents, to the extent the obligations of any Guarantor

-64-

shall be adjudicated to be invalid or unenforceable for any reason (including, without limitation, because of any applicable state or federal law relating to fraudulent conveyances or transfers), then the obligations of such Guarantor hereunder shall be limited to the maximum amount that is permissible under applicable law (whether federal or state and including, without limitation, the Bankruptcy Code).

Section 18.8. Release of Guaranty. Upon consummation of the sale, conveyance, pledge or other transfer of all of the stock or other evidence of beneficial or legal ownership, or a sale, mortgage or pledge of all or substantially all of the assets, of any Guarantor other than the Company, so long as the transfer of Collateral pledged by such Guarantor is otherwise permitted under the terms of this Agreement, and so long as no Default or Event of Default shall have occurred and be continuing, the Guaranty of such Guarantor, and all of its obligations and liabilities under the Loan Documents, shall be, and shall be deemed to be, released and discharged, and upon the request of such released Guarantor, the Agent shall acknowledge such release in writing.

Section 19. ASSIGNMENT; PARTICIPATIONS; ETC.

Section 19.1. Conditions to Assignment by Lenders. Except as provided herein, each Lender may assign to one or more Eligible Assignees all or a portion of its interests, rights and obligations under this Agreement (including all or a portion of its Commitment Percentage and Commitment and the same portion of the Loans at the time owing to it, and the Notes held by it); provided that (a) the Agent shall have given its prior written consent to such assignment, which consent shall not be unreasonably withheld or delayed, except that such consent shall not be needed with respect to an assignment from a Lender to either one of its Affiliated Lenders or to another Lender hereunder, (b) each such assignment shall be of a portion (or which may be all) of the assigning Lender's rights and obligations under this Agreement relating to a specified Commitment amount and Commitment Percentage, (c) each assignment shall be in an amount of not less than \$5,000,000 and in integral multiples of \$1,000,000, (d) each Lender either shall assign all of its Commitment and cease to be a Lender hereunder or shall retain, free of any such assignment, an amount of its Commitment of not less than \$5,000,000, and (e) the parties to such assignment shall execute and deliver to the Agent, for recording in the Register (as hereinafter defined), an Assignment and Acceptance, substantially in the form of Exhibit E hereto (an "Assignment and Acceptance"), together with any Notes subject to such assignment. Upon such execution, delivery, acceptance and recording, from and after the effective date specified in each Assignment and Acceptance, which effective date shall be at least five (5) Business Days after the execution thereof, (i) the assignee thereunder shall be a party hereto and, to the extent provided in such Assignment and Acceptance, have the rights and obligations of a Lender hereunder, and (ii) the assigning Lender shall, to the extent provided in such assignment and upon payment to the Agent of the registration fee referred to in Section 19.3, be released from its obligations under this Agreement.

Section 19.2. Certain Representations and Warranties; Limitations; Covenants. By executing and delivering an Assignment and Acceptance, the parties to the assignment thereunder confirm to and agree with each other and the other parties hereto as follows: (a) other than the representation and warranty that it is the legal and beneficial owner of the interest being assigned

-65-

thereby free and clear of any adverse claim, the assigning Lender makes no representation or warranty and assumes no responsibility with respect to any

statements, warranties or representations made in or in connection with this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement, the other Loan Documents or any other instrument or document furnished pursuant hereto; (b) the assigning Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or any other Person primarily or secondarily liable in respect of any of the Obligations, or the performance or observance by the Borrower or any other Person primarily or secondarily liable in respect of any of the Obligations of any of their obligations under this Agreement or any of the other Loan Documents or any other instrument or document furnished pursuant hereto or thereto; (c) such assignee confirms that it has received a copy of this Agreement, together with copies of the most recent financial statements referred to in Section 6.4 and Section 7.4 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (d) such assignee will, independently and without reliance upon the assigning Lender, the Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement, (e) such assignee represents and warrants that it is an Eligible Assignee; (f) such assignee appoints and authorizes the Agent to take such action as "Agent" on its behalf and to exercise such powers under this Agreement and the other Loan Documents as are delegated to the Agent by the terms hereof or thereof, together with such powers as are reasonably incidental thereto; (g) such assignee agrees that it will perform in accordance with their terms all of the obligations that by the terms of this Agreement are required to be performed by it as a Lender; and (h) such assignee represents and warrants that it is legally authorized to enter into such Assignment and Acceptance.

Section 19.3 Register. The Agent shall maintain a copy of each Assignment and Acceptance delivered to it and a register or similar list (the "Register") for the recordation of the names and addresses of the Lenders and the Commitment Percentages of, and principal amount of the Loans owing to the Lenders from time to time. The entries in the Register shall be conclusive, in the absence of manifest error, and the Borrower, the Agent and the Lenders may treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and the Lenders at any reasonable time and from time to time upon reasonable prior notice. From and after the Effective Date, upon each such recordation, the assigning Lender agrees to pay to the Agent a registration fee in the sum of \$3,500.00. The Agent may, without action by any other party, amend Schedules 1 and 1.2 hereof to reflect the recording of any such assignments and shall immediately forward a copy of any such amendment to Borrower.

Section 19.4. New Notes. Upon its receipt of an Assignment and Acceptance executed by the parties to such assignment, together with each Note subject to such assignment, the Agent shall (a) record the information contained therein in the Register, and (b) give prompt notice thereof to the Borrower and the Lenders (other than the assigning Lender). Within five (5) Business Days after receipt of such notice, the Borrower, at its own expense, shall execute and deliver to the Agent, in exchange for each surrendered Note, a new Note to the order of such Eligible Assignee in an amount equal to the amount assumed by such Eligible Assignee pursuant to such Assignment and Acceptance and, if the assigning Lender has retained some portion of its Loans

-66-

hereunder, a new Note to the order of the assigning Lender in an amount equal to the amount retained by it hereunder. Such new Notes shall provide that they are replacements for the surrendered Notes and that they do not constitute a novation, shall be in an aggregate principal amount equal to the aggregate principal amount of the surrendered Notes, shall be dated the effective date of such Assignment and Acceptance and shall otherwise be in substantially the form of the assigned Notes. Within five (5) days of issuance of any new Notes pursuant to this Section 19.4, the Borrower shall deliver an opinion of counsel, addressed to the Lenders and the Agent, relating to the due authorization, execution and delivery of such new Notes and the legality, validity and binding effect thereof, and that the Obligations evidenced by the new Notes have the same validity and enforceability as if given on the Effective Date, in form and substance reasonably satisfactory to the Lenders who are the holders of such new Notes. The surrendered Notes shall be held by the Agent in escrow and shall be deemed cancelled and returned to the Borrower simultaneously upon the issuance and receipt by the Agent of, and in exchange for, the New Notes.

Section 19.5. Participations. Each Lender may sell participations to one or more banks or other entities of all or a portion of such Lender's rights and obligations under this Agreement and the other Loan Documents; provided that (a) the Agent shall have given its prior written consent to such participation, which consent shall not be unreasonably withheld or delayed, except that any Lender may sell participations to its Affiliated Lenders without such consent, (b) each such participation, other than participations to its Affiliated Lenders or to another Lender hereunder, shall be in an amount of not less than \$5,000,000, (c) any such sale or participation shall not affect the rights and duties of the selling Lender hereunder to the Borrower and the Lender shall continue to exercise all approvals, disapprovals and other functions of a Lender, (d) the only rights granted to the participant pursuant to such participation arrangements with respect to waivers, amendments or modifications of the Loan Documents shall be the rights to approve the vote of the Lender as to waivers, amendments or modifications that would reduce the principal of or the interest rate on any Loans, extend the term or increase the amount of the Commitment of such Lender as it relates to such participant, reduce the amount of any fees to which such participant is entitled or extend any regularly scheduled payment date for principal or interest, (e) except in the case of sales or participations consummated during the occurrence and continuance of a Default or an Event of Default, such participant would have qualified as an Eligible Assignee, and (f) no participant which is not a Lender hereunder shall

have the right to grant further participations or assign its rights, obligations or interests under such participation to other Persons without the prior written consent of the Agent. The Agent shall promptly advise the Borrower in writing of any such sale or participation.

Section 19.6. Pledge by Lender. Any Lender may at any time pledge all or any portion of its interest and rights under this Agreement (including all or any portion of its Note) to any of the twelve Federal Reserve Banks organized under Section 4 of the Federal Reserve Act, 12 U.S.C. Section 341. No such pledge or the enforcement thereof shall release the pledgor Lender from its obligations hereunder or under any of the other Loan Documents.

Section 19.7. No Assignment by Borrower. Neither the Borrower nor any Guarantor shall assign or transfer any of its rights or obligations under any of the Loan Documents without the prior written consent of each of the Lenders, and any such attempted assignment shall be null and void.

-67-

Section 19.8. Disclosure. Each of the Borrower and the Guarantors agrees that in addition to disclosures made in accordance with standard banking practices any Lender may disclose information obtained by such Lender pursuant to this Agreement to assignees or participants and potential assignees or participants hereunder subject to customary banking confidentiality practices.

Section 20. NOTICES, ETC. Except as otherwise expressly provided in this Agreement, all notices and other communications made or required to be given pursuant to this Agreement or the Notes shall be in writing and shall be delivered in hand, mailed by United States registered or certified first class mail, postage prepaid, sent by overnight courier, or sent by telegraph, teletype, telefax or telex and confirmed by delivery via courier or postal service, addressed as follows:

(a) if to the Borrower, the Company or any of the Guarantors, at SL Green Operating Partnership, L.P., 420 Lexington Avenue, New York, New York 10170 (teletype number 212-216-1785), Attention: Chief Financial Officer and General Counsel, with a copy to Robert Ivanhoe, Esq., Greenberg Traurig, 200 Park Avenue, New York, New York 10166 (teletype number 212-801-6400), or at such other address for notice as the Borrower shall last have furnished in writing to the Agent; and

(b) if to the Agent, at 100 Federal Street, Boston, Massachusetts 02110, Attention: Structured Real Estate, or such other address for notice as the Agent shall last have furnished in writing to the Borrower.

(c) if to any Lender, at such Lender's address set forth on Schedule 1, hereto, or such other address for notice as such Lender shall have last furnished in writing to the Person giving the notice.

Any such notice or demand shall be deemed to have been duly given or made and to have become effective (i) if delivered by hand, overnight courier or facsimile to a responsible officer of the party to which it is directed, at the time of the receipt thereof by such officer or the sending of such facsimile and (ii) if sent by registered or certified first-class mail, postage prepaid, on the third Business Day following the mailing thereof.

Section 21. GOVERNING LAW; CONSENT TO JURISDICTION AND SERVICE. THIS AGREEMENT AND EACH OF THE OTHER LOAN DOCUMENTS, EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED THEREIN, ARE CONTRACTS UNDER THE LAWS OF THE STATE OF NEW YORK AND SHALL FOR ALL PURPOSES BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF SUCH STATE. EACH OF THE BORROWER, THE GUARANTORS, THE AGENT AND THE LENDERS AGREES THAT ANY SUIT BY IT FOR THE ENFORCEMENT OF THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS MAY BE BROUGHT IN THE COURTS OF THE CITY OF NEW YORK, STATE OF NEW YORK OR ANY FEDERAL COURT SITTING THEREIN AND BORROWER CONSENTS TO THE NONEXCLUSIVE JURISDICTION OF SUCH COURT FOR ANY SUIT BY AGENT OR ANY LENDER AND THE SERVICE OF PROCESS IN ANY SUCH SUIT BEING MADE

-68-

UPON THE BORROWER BY MAIL AT THE ADDRESS SPECIFIED IN Section 20. EACH OF THE BORROWER, THE GUARANTORS, THE AGENT AND THE LENDERS HEREBY WAIVE ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH SUIT OR ANY SUCH COURT OR THAT SUCH SUIT IS BROUGHT IN AN INCONVENIENT COURT. IN ADDITION TO THE COURTS OF THE CITY OF NEW YORK, STATE OF NEW YORK OR ANY FEDERAL COURT SITTING THEREIN, THE AGENT OR ANY LENDER MAY BRING ACTION(S) FOR ENFORCEMENT ON A NONEXCLUSIVE BASIS WHERE ANY COLLATERAL EXISTS AND EACH OF THE BORROWER, THE GUARANTORS, THE AGENT AND THE LENDERS CONSENTS TO THE NON-EXCLUSIVE JURISDICTION OF SUCH COURT AND THE SERVICE OF PROCESS IN ANY SUCH SUIT BEING MADE UPON THE BORROWER, THE GUARANTORS, THE AGENT AND THE LENDERS BY MAIL AT THE ADDRESS SPECIFIED IN Section 20.

Section 22. HEADINGS. The captions in this Agreement are for convenience of reference only and shall not define or limit the provisions hereof.

Section 23. COUNTERPARTS. This Agreement and any amendment hereof may be executed in several counterparts and by each party on a separate counterpart, each of which when so executed and delivered shall be an original, and all of which together shall constitute one instrument. In proving this Agreement it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom enforcement is sought.

Section 24. ENTIRE AGREEMENT. The Loan Documents and any other documents executed in connection herewith or therewith express the entire understanding of the parties with respect to the transactions contemplated hereby. Neither this Agreement nor any term hereof may be changed, waived,

discharged or terminated, except as provided in Section 26.

Section 25. WAIVER OF JURY TRIAL AND CERTAIN DAMAGE CLAIMS. EACH OF THE BORROWER, THE GUARANTORS, THE AGENT AND THE LENDERS HEREBY WAIVES ITS RIGHT TO A JURY TRIAL WITH RESPECT TO ANY ACTION OR CLAIM ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS AGREEMENT, THE NOTES OR ANY OF THE OTHER LOAN DOCUMENTS, ANY RIGHTS OR OBLIGATIONS HEREUNDER OR THEREUNDER OR THE PERFORMANCE OF SUCH RIGHTS AND OBLIGATIONS. EXCEPT TO THE EXTENT EXPRESSLY PROHIBITED BY LAW, EACH OF THE BORROWER AND THE GUARANTORS HEREBY WAIVES ANY RIGHT IT MAY HAVE TO CLAIM OR RECOVER IN ANY LITIGATION REFERRED TO IN THE PRECEDING SENTENCE ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. EACH OF THE BORROWER AND THE GUARANTORS (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE AGENT OR ANY LENDER HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE AGENT OR SUCH LENDER WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVERS AND (B) ACKNOWLEDGES THAT THE AGENT AND THE

-69-

LENDERS HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS TO WHICH THEY ARE PARTIES BY, AMONG OTHER THINGS, THE WAIVERS AND CERTIFICATIONS CONTAINED HEREIN.

Section 26. CONSENTS, AMENDMENTS, WAIVERS, ETC. Except as otherwise specifically set forth herein or in any other Loan Document, any consent or approval required or permitted by this Agreement may be given, and any term of this Agreement or of any other instrument related hereto or mentioned herein may be amended, and the performance or observance by the Borrower and the Guarantors of any terms of this Agreement or such other instrument or the continuance of any Default or Event of Default may be waived (either generally or in a particular instance and either retroactively or prospectively) with, but only with, the written consent of the Requisite Lenders, and, in the case of amendments, with the written consent of the Borrower other than amendments to schedules made in the ordinary course as contemplated by this Agreement. Notwithstanding the foregoing, (i) the rate of interest on, and the term or amount of, the Notes or the date of any payment due hereunder or thereunder, (ii) the amount of the Commitments of the Lenders (other than changes in Commitments pursuant to Assignments under Section 19 or pursuant to changes in the Total Commitment under Section 2.2), (iii) the amount of any fee payable to a Lender hereunder, (iv) any provision herein or in any of the Loan Documents which expressly requires consent of all the Lenders (including this Section 26), (v) the funding provisions of Section 2.5 and Section 2.7 hereof, (vi) the rights, duties and obligations of the Agent specified in Section 14 hereof, and (vii) the definitions of Majority Lenders or Requisite Lenders, may not be amended or compliance therewith waived without the written consent of each Lender affected thereby, nor may the Agent release the Borrower or any Guarantor from its liability with respect to the Obligations (other than pursuant to Section 18.8), without first obtaining the written consent of all the Lenders. Unless otherwise directed by the Agent, any request for amendment or waiver shall be made on no less than ten (10) Business Days notice to the Lenders. Unless otherwise directed by the Agent, the failure of a Lender to respond to a request for waiver or amendment shall be deemed to constitute such Lender's consent to such waiver or amendment requested (unless such waiver or amendment requires the consent of all Lenders). No waiver shall extend to or affect any obligation not expressly waived or impair any right consequent thereon. No course of dealing or delay or omission on the part of the Agent or any Lender in exercising any right shall operate as a waiver thereof or otherwise be prejudicial thereto. No notice to or demand upon the Borrower shall entitle the Borrower to other or further notice or demand in similar or other circumstances.

Section 27. SEVERABILITY. The provisions of this Agreement are severable, and if any one clause or provision hereof shall be held invalid or unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

Section 28. ACKNOWLEDGMENTS. Each of the Borrower and the Guarantors hereby acknowledges that: (i) neither the Agent nor any Lender has any fiduciary relationship with, or fiduciary duty to, the Borrower and the Guarantors arising out of or in connection with this

-70-

Agreement or any of the other Loan Documents; (ii) the relationship in connection herewith between the Agent and the Lenders, on the one hand, and the Borrower and each Guarantor, on the other hand, is solely that of creditor and debtor and (iii) no joint venture or partnership among any of the parties hereto is created hereby or by the other Loan Documents, or otherwise exists by virtue of the Facility or the Loans.

Section 29. USURY LIMITATION. If, at any time, the rate of interest, together with all amounts which constitute interest and which are reserved, charged or taken by the Agent or the Lenders as compensation for fees, services or expenses incidental to the making, negotiating or collection of the loan evidenced hereby, shall be deemed by any competent court of law, governmental agency or tribunal to exceed the maximum rate of interest permitted to be charged by the Agent or the Lenders to the Borrower under Applicable Law, then, during such time as such rate of interest would be deemed excessive, that portion of each sum paid attributable to that portion of such interest rate that exceeds the maximum rate of interest so permitted shall be deemed a voluntary prepayment of principal; provided, however, that in the event there is a change in Applicable Law which results in a higher permissible rate of interest, then this Agreement shall be governed by such new law as of its effective date.

Section 30. REPLACEMENT OF LOST NOTES. Upon receipt of an affidavit of an officer of a Lender as to the loss, theft, destruction or mutilation of a Note or any other security document which is not of public record, and, in the case of any such loss, theft, destruction or mutilation, upon cancellation of such Note or other security document, the Borrower will issue, in lieu thereof, a replacement note or other security document in the same principal amount thereof and otherwise of like tenor.

[The remainder of this page intentionally left blank]

-71-

IN WITNESS WHEREOF, the undersigned have duly executed this Agreement as a sealed instrument as of the date first set forth above.

BORROWER:

SL GREEN OPERATING PARTNERSHIP, L.P.

By: SL GREEN REALTY CORP., its general partner

By:

Name: Marc Holliday
Title: President

GUARANTOR:

SL GREEN REALTY CORP.

By:

Name: Marc Holliday
Title: President

GUARANTOR:

Green 1412 Preferred LLC,
a Delaware limited liability company

By: SL Green Operating Partnership, L.P.,
a Delaware limited partnership,
its managing member

By: SL Green Realty Corp.,
a Maryland corporation,
its general partner

By:

Name: Marc Holliday
Title: President

GUARANTOR:

SLG 1440 Broadway Funding LLC,
a New York limited liability company

By: eEmerge, Inc.,
a Delaware corporation,
its managing member

By:

Name: Andrew Mathias
Title: President

GUARANTOR:

GREEN FUNDING W26 LLC,
a New York limited liability company

By: SL Green Funding LLC,
a Delaware limited liability company,
its managing member

By: SL Green Operating Partnership, L.P.,
a Delaware limited partnership,
its managing member

By: SL Green Realty Corp.,
a Maryland corporation,
its general partner

By: -----
Name: Marc Holliday
Title: President

ADMINISTRATIVE AGENT AND COLLATERAL AGENT:

FLEET NATIONAL BANK,
As Administrative Agent and
Collateral Agent

By: -----
Name:
Title:

LENDER:

FLEET NATIONAL BANK,

By: -----
Name:
Title:

LENDER:

FIRST UNION NATIONAL BANK

By: -----
Name:
Title:

LENDER:

SOVEREIGN BANK

By: -----
Name:
Title:

SCHEDULE 1

Lenders; Domestic and LIBOR Lending Offices

FLEET NATIONAL BANK
100 Federal Street
Boston, MA 02110
Attn: Structured Real Estate
Fax: (617) 434-1337
Tel: (617) 434-8501

FIRST UNION NATIONAL BANK
Wachovia Securities
301 S. College Street, NC5604
Charlotte, NC 28288
Attn: Rex Rudy
Tel: 704-383-6506
Fax: 704-383-6205

SOVEREIGN BANK
75 State Street
MA 1SST 0411
Boston, MA 02109
Attn: T. Gregory Donohue
Fax: (617) 757-5652
Tel: (617) 757-5578

SCHEDULE 1.2

Commitments and Commitment Percentages

Financial
Institution
Commitment
Commitment
Percentage

FIRST AMENDMENT
TO REVOLVING CREDIT AND GUARANTY AGREEMENT

This FIRST AMENDMENT TO REVOLVING CREDIT AND GUARANTY AGREEMENT (this "Amendment") is made as of the 30th day of March, 2001, by and among (i) SL GREEN OPERATING PARTNERSHIP, L.P., a Delaware limited partnership (the "Borrower"), (ii) SL GREEN REALTY CORP., a Maryland corporation (the "Company", and a "Guarantor", as such term is defined herein), (iii) each of the direct and indirect Subsidiaries of the Borrower or the Company that is a signatory hereto under the caption "Guarantors" on the signature pages hereto, (iv) each of the financial institutions that is a signatory hereto under the caption "Lenders" on the signature pages hereto (individually, a "Lender" and, collectively, the "Lenders"), (v) FLEET NATIONAL BANK, NA, a national banking association, as administrative agent for the Lenders hereunder (in such capacity, the "Agent"), (vi) SALOMON SMITH BARNEY INC., as syndication agent for the Lenders hereunder (the "Syndication Agent"), and (vii) BANKERS TRUST COMPANY, as documentation agent for the Lenders hereunder (the "Documentation Agent"), and is made with reference to that certain Revolving Credit and Guaranty Agreement dated as of June 27, 2000, by and among Borrower, Guarantors, Lenders, Agent, Syndication Agent, and Documentation Agent (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"). Capitalized terms used herein without definition shall have the same meanings herein as set forth in the Credit Agreement.

R E C I T A L S:

WHEREAS, under the terms of the Credit Agreement, the Lenders provide to the Borrower an unsecured revolving credit facility in the maximum amount of \$250,000,000 (the "Facility"); and

WHEREAS, under the terms of the Credit Agreement, the Obligations of the Borrower are jointly and severally unconditionally guaranteed by the Guarantors; and

WHEREAS, Borrower has requested, pursuant to Section 2.2 of the Credit Agreement, that the Total Commitment of the Lenders be increased to \$300,000,000, and certain Lenders have agreed to increase their Commitments such that the Total Commitment shall be \$300,000,000; and

WHEREAS, at the request of Borrower, Lenders have agreed to amend the Credit Agreement and Schedule 1.2 thereto in accordance with Section 2.2(d) of the Credit Agreement in order to reflect the increase in Total Commitment; and

WHEREAS, the parties hereto intend that this Amendment not constitute a novation or satisfaction of the Obligations or be deemed to evidence or constitute a repayment of all or any portion of such Obligations.

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto agree as follows:

SECTION 1. AMENDMENT OF CREDIT AGREEMENT AND RELATED MATTERS

1.1 DEFINITIONS. The definition of "Treasury Rate" in Section 1.1 of the Credit Agreement is amended by deleting therefrom the words "plus 1.75%."

1.2 SCHEDULE 1.2. Schedule 1.2 to the Credit Agreement is hereby amended and restated in its entirety in the form attached as Exhibit A hereto.

SECTION 2. BORROWER'S REPRESENTATIONS AND WARRANTIES

In order to induce Lenders to enter into this Amendment and to amend the Credit Agreement and the Schedules thereto in the manner provided herein, the Borrower and the Guarantors jointly and severally represent and warrant to each Lender that the following statements are true, correct and complete:

(i) each of the Borrower and each Guarantor has all requisite corporate, limited liability company, or partnership power and authority to enter into this Amendment and to carry out the transactions contemplated by, and perform its obligations under, the Credit Agreement as amended by this Amendment (the "Amended Agreement");

(ii) the execution and delivery of this Amendment and the performance of the Amended Agreement have been duly authorized by all necessary corporate, limited liability company, or partnership action (as the case may be) on the part of Borrower and each Guarantor;

(iii) the execution and delivery by the Borrower and each Guarantor of this Amendment and the performance by the Borrower and each Guarantor of the Amended Agreement (i) are within the authority of the Borrower or such Guarantor, (ii) have been duly authorized by all necessary proceedings on the part of the Borrower or such Guarantor, (iii) do not conflict with or result in any breach or contravention of any provision of law, statute, rule or regulation to which the Borrower or such Guarantor is subject or any judgment, order, writ, injunction, license or permit applicable to the Borrower or such Guarantor and (iv) do not conflict with any provision of the Borrower or such Guarantor's charter documents or bylaws, partnership agreement, declaration of trust, or any agreement (except agreements as to which such a conflict would not result in a Material Adverse Effect) or other instrument binding upon the Borrower or such Guarantor or to which any of the Borrower's or such Guarantor's properties are subject;

(iv) the execution and delivery by the Borrower and each Guarantor of

this Amendment and the performance by the Borrower and each Guarantor of the Amended Agreement do not and will not require any registration with, consent or approval of, or notice to, or other action to, with or by, any federal, state or other governmental authority or regulatory body;

(v) this Amendment and the Amended Agreement have been duly executed and delivered by the Borrower and each Guarantor and are the legally valid and binding obligations of the Borrower and each Guarantor, enforceable against the Borrower and each Guarantor in accordance with their respective terms, except as may be limited by bankruptcy, insolvency,

2

reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability; and

(vi) no event has occurred and is continuing or will result from the consummation of the transactions contemplated by this Amendment that would constitute a Default or an Event of Default.

SECTION 3. CONDITIONS TO EFFECTIVENESS

Section 1 of this Amendment shall become effective only upon the satisfaction of all of the following conditions precedent (the date of satisfaction of such conditions being referred to herein as the "First Amendment Effective Date"):

(i) On or before the First Amendment Effective Date, the Borrower and each Guarantor shall have delivered to Lenders (or to Agent for Lenders with sufficient originally executed copies, where appropriate, for each Lender and its counsel) executed originals of this Amendment;

(ii) On or before the First Amendment Effective Date, the Borrower shall execute and deliver to the Agent new Notes for each Lender whose Commitment (as reflected on Schedule 1.2, as amended pursuant to this Amendment) has changed so that the maximum principal amount of such Lender's Note shall equal its Commitment;

(iii) On or before the First Amendment Effective Date, Lenders shall have received originally executed copies of a written opinion of counsel, addressed to the Lenders and the Agent, relating to the due authorization, execution and delivery of such new Notes and the enforceability thereof, substantially in the form of the relevant portions of the opinion delivered pursuant to Section 10.6 of the Credit Agreement.

(iv) The Borrower shall have paid to the Agent all fees due and payable by the Borrower pursuant to Section 4.1 of the Credit Agreement and shall have paid all other expenses as provided in Section 15 of the Credit Agreement due and payable by the Borrower as of the First Amendment Effective Date.

In furtherance of the foregoing clause (ii), each Lender receiving a replacement Note pursuant to the foregoing clause (ii) covenants that it shall promptly surrender to the Agent, and the Agent covenants that it shall promptly thereafter return to the Borrower for cancellation, such Lender's existing Note replaced thereby.

3

SECTION 4. ACKNOWLEDGEMENT AND CONSENT

(i) Each of the Borrower, the Company and each other Guarantor (each individually a "Credit Support Party" and collectively, the "Credit Support Parties") hereby acknowledges that it has reviewed the terms and provisions of the Credit Agreement and this Amendment and consents to the amendment of the Credit Agreement and the Schedule 1.2 thereto effected pursuant to this Amendment. Each Credit Support Party hereby confirms that each Loan Document to which it is a party or otherwise bound will continue to guaranty or secure, as the case may be, to the fullest extent possible the payment and performance of all Obligations of Borrower now or hereafter existing under or in respect of the Credit Agreement and the Notes.

(ii) In accordance with Section 5.6 of the Credit Agreement, each of the undersigned Green 286 Madison LLC, Green 292 Madison LLC, and Green 1370 Broadway LLC (collectively, the "New Guarantors", and individually, a "New Guarantor") agrees to be bound by all the terms and provisions of the Credit Agreement and the other Loan Documents applicable to it as a Guarantor thereunder. In furtherance of the foregoing, each reference to a Guarantor in the Credit Agreement, this Amendment and the Amended Agreement shall be deemed to include the New Guarantors.

SECTION 5. INTENTIONALLY OMITTED

SECTION 6. MISCELLANEOUS

A REFERENCE TO AND EFFECT ON THE CREDIT AGREEMENT AND THE OTHER LOAN DOCUMENTS.

(i) On and after the effective date of this Amendment, each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof", "herein" or words of like import referring to the Credit Agreement and each reference in the other Loan Documents to the "Credit Agreement", "thereunder", "thereof" or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement as amended hereby.

(ii) Except as specifically amended by this Amendment, the Credit Agreement and the other Loan Documents shall remain in full force and effect and are hereby ratified and confirmed.

(iii) The execution, delivery and performance of this Amendment shall not, except as expressly provided herein, constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of Agent or any Lender under the Credit Agreement or any of the other Loan Documents.

B FEES AND EXPENSES. Borrower acknowledges that all costs, fees and expenses as described in Section 15 of the Credit Agreement incurred by Agent and its counsel with respect to this Amendment and the documents and transactions contemplated hereby shall be for the account of Borrower.

4

C HEADINGS. Section and subsection headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose or be given any substantive effect.

D APPLICABLE LAW. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING WITHOUT LIMITATION SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK), WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES.

E COUNTERPARTS; EFFECTIVENESS. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document. This Amendment (other than the provisions of Section 1 hereof, the effectiveness of which is governed by Section 3 hereof) shall become effective upon the execution of a counterpart hereof by Borrower, Lenders and each of the Credit Support Parties and receipt by Agent of written or telephonic notification of such execution and authorization of delivery thereof. Section 1 of this Amendment shall become effective only in the manner set forth in Section 3 of this Amendment.

[Remainder of page intentionally left blank]

5

IN WITNESS WHEREOF, the parties hereto have signed, or caused their duly elected officer to sign on the date first written above.

BORROWER:

SL GREEN OPERATING PARTNERSHIP, L.P.

By: SL GREEN REALTY CORP., its general partner

By:

Name: Marc Holliday
Title: Chief Investment Officer

GUARANTOR:

SL GREEN REALTY CORP.

By:

Name: Marc Holliday
Title: Chief Investment Officer

GUARANTOR:

NEW GREEN 1140 REALTY LLC

By: SL GREEN OPERATING PARTNERSHIP, L.P., its managing member,

By: SL GREEN REALTY CORP., its general partner

By:

Name: Marc Holliday
Title: Chief Investment Officer

GUARANTOR:

SLG 17 BATTERY LLC

By: SL GREEN OPERATING PARTNERSHIP, L.P., its managing member,

By: SL GREEN REALTY CORP.,
its general partner

By: -----
Name: Marc Holliday
Title: Chief Investment Officer

GUARANTOR:

SL GREEN MANAGEMENT LLC

By: SL GREEN OPERATING PARTNERSHIP,
L.P., its managing member,

By: SL GREEN REALTY CORP.,
its general partner

By: -----
Name: Marc Holliday
Title: Chief Investment Officer

GUARANTOR:

SLG IRP REALTY LLC

By: SL GREEN OPERATING PARTNERSHIP,
L.P., its managing member,

By: SL GREEN REALTY CORP.,
its general partner

By: -----
Name: Marc Holliday
Title: Chief Investment Officer

GUARANTOR:

GREEN 286 MADISON LLC

By: SL GREEN OPERATING PARTNERSHIP,
L.P., its managing member,

By: SL GREEN REALTY CORP.,
its general partner

By: -----
Name: Marc Holliday
Title: Chief Investment Officer

GUARANTOR:

GREEN 292 MADISON LLC

By: SL GREEN OPERATING PARTNERSHIP,
L.P., its managing member,

By: SL GREEN REALTY CORP.,
its general partner

By: -----
Name: Marc Holliday
Title: Chief Investment Officer

GUARANTOR:

GREEN 1370 BROADWAY LLC

By: SL GREEN OPERATING PARTNERSHIP,
L.P., its managing member,

By: SL GREEN REALTY CORP.,
its general partner

By: -----
Name: Marc Holliday
Title: Chief Investment Officer

ADMINISTRATIVE AGENT:

FLEET NATIONAL BANK, NA
As Administrative Agent

By: -----
Name: Kathleen M. Ahern
Title: Director

LENDER:
FLEET NATIONAL BANK, NA

By: -----
Name: Kathleen M. Ahern
Title: Director

LENDER:
CITICORP REAL ESTATE, INC.

By: -----
Name:
Title:

LENDER:
BANKERS TRUST COMPANY

By: -----
Name:
Title:

LENDER:
COMMERZBANK AKTIENGESELLSCHAFT,
NEW YORK BRANCH

By: -----
Name: David M. Schwartz
Title: Senior Vice President

By: -----
Name: Christine H. Finkel
Title: Vice President

LENDER:
THE BANK OF NEW YORK

By: -----
Name: Maria D. Kastanis
Title: Vice President

LENDER:
WELLS FARGO BANK, NATIONAL
ASSOCIATION

By: -----
Name: Timothy M. Zietara
Title: Senior Vice President

LENDER:
BANK LEUMI USA

By: -----
Name:
Title:

LENDER:

By: -----
Name: Thomas Nastarowicz
Title: Vice President

LENDER:

KEY BANK NATIONAL ASSOCIATION

By: -----
Name: John Scott
Title: Assistant Vice President

EXHIBIT A

SCHEDULE 1.2
Commitments and Commitment Percentages

Commitment Financial Institution Commitment Percentage - ----- ----- ----- ----- ----- ----- -----	
---- Fleet	
National Bank, NA	
\$ 50,000,000	
16.6667%	Wells Fargo Bank, National Association \$ 47,500,000
15.8333%	Commerzbank Aktiengesellschaft, New York Branch \$ 47,500,000
15.8333%	Bankers Trust Company \$ 42,500,000
14.1667%	The Bank of New York \$ 35,000,000
11.6667%	Citicorp Real Estate, Inc. \$ 27,500,000
9.1667%	PNC Bank, National Association \$ 20,000,000
6.6667%	Key Bank National Association \$ 20,000,000
6.6667%	Bank Leumi USA \$ 10,000,000
3.3333%	

[SL GREEN REALTY CORP. LOGO AND LETTERHEAD]

420 Lexington Avenue New York City 10170

CONTACT

Michael W. Reid
Chief Operating Officer
- -or-
Thomas E. Wirth
Chief Financial Officer
(212) 594-2700

FOR IMMEDIATE RELEASE

SL GREEN REALTY CORP. REPORTS A 19.4% GAIN
IN THIRD QUARTER FFO TO \$0.86 PER SHARE

HIGHLIGHTS

- o 19.4% FFO increase to \$0.86 per share (diluted) versus \$0.72 per share (diluted); restated from \$0.73 per share in the prior year
- o 33.3% increase in net income from continuing operations, \$0.52 per share (diluted) versus \$0.39 (diluted) the prior year
- o Maintained 97.0% portfolio occupancy versus the previous quarter
- o Executed a two-year \$100 million LIBOR SWAP at 2.29%

FINANCIAL RESULTS

NEW YORK, NY, OCTOBER 21, 2002 - SL Green Realty Corp. (NYSE:SLG) reported improved operating results for the three months ended September 30, 2002. During the period, funds from operations (FFO) before minority interests totaled \$30.2 million, or \$0.86 per share (diluted), compared to \$23.6 million, or \$0.72 per share (diluted), for the same quarter in 2001, a 19.4% increase over the prior year. The 2001 quarterly results included a \$1.0 million charge, or \$0.03 per share, for a one-time contribution to the Twin Towers Fund. Additionally, in accordance with new accounting guidelines, the 2001 results have been reduced by \$0.01 per share due to an increase in interest expense related to the reclassification of a \$0.3 million charge from the early extinguishment of debt. Excluding these charges, 2001 third quarter earnings would have been \$0.76 per share (diluted), reducing the 2002 FFO increase to 13.1%. The 2002 growth was primarily attributable to increased contributions from the Company's 1515 Broadway joint venture, structured finance programs and lower interest rates.

Nine month results were also strong, reflecting an 8.9% FFO increase over 2001 as FFO before minority interests totaled \$85.6 million or \$2.45 per share (diluted), compared to \$68.6 million or \$2.25 per share (diluted) for the same period in the previous year. The growth is also attributable to increased contributions from the Company's joint venture and structured finance programs and lower interest rates.

For the quarter, net income available to common shareholders, adjusted for discontinued operations, property sales and the cumulative effect of an accounting change, increased 33.3% to \$19.8 million, or \$0.52 per share (diluted), compared to \$14.9 million, or \$0.39 per share (diluted), for the same period in the previous year. For the nine months ended September 30, 2002, adjusted net income increased 29.6% to \$56.5 million, or \$1.49 per share (diluted), as compared to \$43.6 million, or \$1.27 per share (diluted), for the same period in the previous year.

CONSOLIDATED RESULTS

Total quarterly revenues increased in the third quarter to \$63.2 million (5.7%) during 2002 compared to \$59.8 million during 2001. The \$3.4 million growth in revenue resulted primarily from:

- o Investment and preferred equity income (\$1.9 million)
- o 2002 same store rental income (\$0.8 million)
- o Other income, primarily asset management fees (\$0.6 million)

The Company's third quarter EBITDA increased \$5.6 million resulting in increased margins before ground rent of 74.9% in 2002 compared to 65.9% for the same period last year. After ground rent, margins improved to 69.3% in 2002 from 60.3% in the corresponding prior period. This improvement in EBITDA margins were primarily due to the increased net income from joint ventures and the increase in structured finance income. The components of EBITDA changed as follows:

- o \$2.3 million increase in GAAP net operating income (NOI)
- o \$1.9 million increase in structured finance investment income
- o \$1.0 million decrease in MG&A expenses, primarily due to the \$1.0 million contribution to the Twin Towers Fund in 2001
- o \$0.6 million increase in non-operating other income primarily due to on-going joint venture asset management fees
- o \$0.2 million decrease in lease buyout income

The \$2.3 million improvement in GAAP NOI is comprised of the following:

- o \$3.0 million increase from joint venture net income
- o \$0.3 million increase from same store portfolio
- o \$0.2 million decrease to the partial sale of 110 East 42nd Street
- o \$0.6 million decrease from non-same store property results, including 50 West 23rd Street and e.Emerge

FFO for the quarter ended September 30, 2002 improved \$6.6 million primarily as a result of an increase in EBITDA (\$5.6 million), increased FFO adjustment from joint ventures and discontinued operations (\$0.7 million) and lower interest costs (\$0.3 million).

Lower interest costs (\$0.3 million) were associated with: lower interest rates on floating rate debt (\$0.9 million), reclassification of 2001 debt extinguishment (\$0.3 million) and the proceeds from the Company's July 2001 common stock offering (\$0.2 million) partially offset by higher average debt levels due to net acquisition and new structured finance investment activity (\$0.8 million), annual loan amortizations and refinancings (\$0.2 million) and increased costs for capital (\$0.1 million).

The Company's 2001 results exclude gains on the sale of properties that totaled \$0.6 million and \$5.2 million for the three and nine months, respectively.

At the end of the quarter, consolidated debt totaled \$548.7 million, reflecting a debt to market capitalization ratio of 33.8%.

SAME STORE RESULTS

During the third quarter, same store cash NOI remained flat at \$24.6 million. Cash NOI margins before ground rent decreased year over year from 57.9% to 56.4%. The lower cash NOI was driven primarily by a \$1.1 million (4.9%) increase in operating costs due to:

- o \$0.5 million (8.1%) increase in real estate taxes
- o \$0.4 million (51.1%) increase in management, professional and advertising costs
- o \$0.2 million (24.7%) increase in security costs
- o \$0.1 million (2.7%) decrease in utility costs

The increase in operating costs were partially offset by \$0.8 million (2.0%) increase in cash revenue primarily due to:

- o \$1.4 million increase from replacement rents which were 39% higher than previously fully-escalated rents, including early renewals
- o \$0.4 million decrease from lower occupancy in 2002 (96.9%) compared to 2001 (97.7%)

Approximately 86.0% of the quarterly electric expense was recovered through the utility clause in the tenants' leases.

LEASING ACTIVITY

During the quarter, the Company signed 50 office leases totaling approximately 354,000 rentable square feet with starting office cash rents averaging \$33.23 per square foot, a 44.4% increase over previously escalated cash rents averaging \$23.01 per square foot. Tenant concessions averaged 1.4 months of free rent and an allowance for tenant improvements of \$16.49 per square foot. This leasing activity includes early renewals for 10 office leases totaling approximately 142,000 rentable square feet.

PROPERTY ACTIVITY

Due to the Company's intent to sell the property located at 50 West 23rd Street, the property's assets and liabilities have been classified to assets and liabilities held for sale on the balance sheet at September 30, 2002. As a result, the Company's operating results have been restated to classify all of the property's income to discontinued operations for all periods presented.

STRUCTURED FINANCE

At September 30, 2002, the structured finance portfolio, including preferred equity interests, remained substantially unchanged from the previous quarter totaling \$194.7 million with a current yield of 12.40%, after seller financing.

OTHER

As of September 30, 2002, the Company's portfolio consists of interests in 25 properties, aggregating 11.5 million square feet.

SL Green Realty Corp. is a self-administered and self-managed real estate investment trust ("REIT") that acquires, owns and manages commercial office properties in Manhattan. The Company is the only publicly held REIT which exclusively specializes in this niche.

The company will host a conference call and audio web cast on TUESDAY, OCTOBER 22 AT 2:00 P.M. ET to discuss the financial results. The conference call can be accessed by dialing (913) 981-4910. A replay of the call will be available through October 29, 2002, by dialing (719) 457-0820 or (888) 203-1112, confirmation code 163015. The call will be simultaneously broadcast via the Internet and individuals who wish to access the conference call should go to www.slgreen.com to log onto the call or to listen to a replay following the call.

Financial Tables attached

To receive SL Green's latest news release and other corporate documents, including the Third Quarter Supplemental Data, via FAX at no cost, please contact the Investor Relations office at 212-216-1601. All releases and supplemental data can also be downloaded directly from the SL Green website at:

www.slgreen.com.
- - - - -

THIS PRESS RELEASE CONTAINS CERTAIN "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. ALTHOUGH THE COMPANY BELIEVES THE EXPECTATIONS REFLECTED IN SUCH FORWARD LOOKING STATEMENTS ARE BASED ON REASONABLE ASSUMPTIONS, ACTUAL RESULTS COULD VARY FROM THOSE PRESENTED HEREIN. THE RISKS AND UNCERTAINTIES ASSOCIATED WITH FORWARD-LOOKING STATEMENTS IN THIS RELEASE INCLUDE GENERAL ECONOMIC AND BUSINESS (PARTICULARLY REAL ESTATE) CONDITIONS, THE IMPACT OF TERRORIST ATTACKS, THE BUSINESS OPPORTUNITIES THAT MAY BE PRESENTED TO AND PURSUED BY THE COMPANY, CHANGES IN LAWS OR REGULATIONS (INCLUDING CHANGES TO LAWS GOVERNING THE TAXATION OF REITS), RISKS OF ACQUISITIONS, AVAILABILITY OF CAPITAL (DEBT AND EQUITY), INCREASES IN FINANCING AND OTHER COSTS, COMPETITION, SUPPLY AND DEMAND FOR PROPERTIES IN OUR CURRENT AND ANY PROPOSED MARKET AREAS, TENANTS' ABILITY TO PAY RENT AT CURRENT OR INCREASED LEVELS, ACCOUNTING PRINCIPLES, POLICIES AND GUIDELINES APPLICABLE TO REITS, ENVIRONMENTAL RISKS, TENANT BANKRUPTCIES AND DEFAULTS, THE AVAILABILITY AND COST OF COMPREHENSIVE INSURANCE, INCLUDING COVERAGE FOR TERRORIST ACTS, AND OTHER FACTORS, MANY OF WHICH ARE BEYOND THE CONTROL OF THE COMPANY. WE UNDERTAKE NO OBLIGATION TO PUBLICLY UPDATE OR REVISE ANY OF THE INFORMATION IN THIS PRESS RELEASE THAT BECOMES UNTRUE. FOR FURTHER INFORMATION ON FACTORS THAT COULD IMPACT THE COMPANY, PLEASE REFER TO THE COMPANY'S FILINGS WITH THE SECURITIES AND EXCHANGE COMMISSION.

###

SL GREEN REALTY CORP.
STATEMENTS OF OPERATIONS--UNAUDITED
(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2002	2001	2002	2001
REVENUE:				
Rental revenue	\$ 47,245	\$ 46,237	\$140,023	\$151,138
Escalations & reimbursement revenues	8,824	8,726	21,630	23,656
Signage rent	191	424	924	953
Investment income	3,871	3,306	11,420	11,626
Preferred equity income	1,960	630	5,805	630
Other income	1,095	472	3,402	1,307
	-----	-----	-----	-----
Total revenues	63,186	59,795	183,204	189,310
Total revenues	-----	-----	-----	-----
EXPENSES:				
Operating expenses including \$1,722 and \$5,068 (2002) and \$2,298 and \$4,123 (2001) to affiliates	15,997	14,739	43,174	43,930
Real estate taxes	7,688	7,154	21,798	22,749
Ground rent	3,159	3,101	9,478	9,419
Interest	9,378	9,724	27,235	36,116
Depreciation and amortization	9,795	8,792	28,648	27,192
Marketing, general and administrative	3,160	4,116	9,719	11,331
	-----	-----	-----	-----
Total expenses	49,177	47,626	140,052	150,737
	-----	-----	-----	-----
Income from continuing operations before equity in net income (loss) from affiliates, equity in net income of unconsolidated joint ventures, gain on sale, minority interest and a cumulative effect adjustment	14,009	12,169	43,152	38,573
Equity in net income (loss) from affiliates	21	(57)	245	(984)
Equity in net income from unconsolidated joint ventures	5,784	2,752	13,113	6,020
	-----	-----	-----	-----
Operating earnings	19,814	14,864	56,510	43,609
Gain on sale of rental properties	--	647	--	5,164
Minority interest in operating partnership attributable to continuing operations	(1,167)	(950)	(3,380)	(3,313)
Cumulative effect of change in accounting principle	--	--	--	(532)
	-----	-----	-----	-----
Income from continuing operations	18,647	14,561	53,130	44,298
Income from discontinued operations, net of minority interest	789	786	2,034	2,076
	-----	-----	-----	-----
Net income	19,436	15,347	55,164	47,004
Preferred stock dividends	(2,300)	(2,300)	(6,900)	(6,900)
Preferred stock accretion	(123)	(114)	(368)	(343)
	-----	-----	-----	-----
Net income available to common shareholders	\$ 17,013	\$ 12,933	\$ 47,896	\$ 39,761
	-----	-----	-----	-----
Net income per share (basic)	\$ 0.56	\$ 0.45	\$ 1.59	\$ 1.53
Net income per share (diluted)	\$ 0.54	\$ 0.44	\$ 1.55	\$ 1.50
Funds from operations (FFO)				
FFO per share (basic)	\$ 0.93	\$ 0.77	\$ 2.64	\$ 2.42
FFO per share (diluted)	\$ 0.86	\$ 0.72	\$ 2.45	\$ 2.25
FFO CALCULATION				
Income before minority interests, preferred stock dividends, extraordinary loss, property sales and cumulative effect adjustment	\$ 19,814	\$ 14,864	\$ 56,512	\$ 43,609
Less:				
Preferred stock dividend	(2,300)	(2,300)	(6,900)	(6,900)
Add:				
FFO from discontinued operations	927	1,096	2,761	2,076
Joint venture FFO adjustment	3,072	2,225	7,666	4,579
Depreciation and amortization	9,795	8,791	28,648	27,956
Amortization of deferred financing costs and depreciation of non-real estate assets	(1,046)	(1,055)	(3,086)	(3,371)
	-----	-----	-----	-----
FFO - BASIC	30,262	23,621	85,601	68,562
Add: Preferred stock dividends	2,300	2,300	6,900	6,900
	-----	-----	-----	-----
FFO - DILUTED	\$ 32,562	\$ 25,921	\$ 92,497	\$ 75,462
	-----	-----	-----	-----
Basic ownership interests				
Weighted average REIT common shares	30,357	28,511	30,185	25,988
Weighted average partnership units held by minority interest	2,180	2,280	2,224	2,286
	-----	-----	-----	-----
Basic weighted average shares and units outstanding	32,537	30,791	32,409	28,274
	-----	-----	-----	-----
Diluted ownership interest				
Weighted average REIT common and common share equivalent shares	30,932	29,093	30,850	26,506
Weighted average partnership units held by minority interests	2,180	2,280	2,224	2,286
Common share equivalents for preferred stock	4,699	4,699	4,699	4,699
	-----	-----	-----	-----

Diluted weighted average equivalent shares and units
outstanding

37,811
=====

36,072
=====

37,773
=====

33,491
=====

SL GREEN REALTY CORP.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Amounts in Thousands)

	September 30, 2002	December 31, 2001
	----- (Unaudited)	-----
ASSETS		
Commercial real estate properties, at cost:		
Land and land interests	\$ 131,078	\$ 138,337
Buildings and improvements	675,499	689,094
Building leasehold	147,911	144,736
Property under capital lease	12,208	12,208
	-----	-----
	966,696	984,375
Less accumulated depreciation	(119,056)	(100,776)
	-----	-----
	847,640	883,599
Assets held for sale	29,060	--
Cash and cash equivalents	25,555	13,193
Restricted cash	32,538	38,424
Tenant and other receivables, net of allowance of \$5,860 and \$3,629 reserve in 2002 and 2001, respectively	8,102	8,793
Related party receivables	4,832	3,498
Deferred rents receivable net of allowance of \$6,321 and \$5,264 in 2002 and 2001, respectively	54,992	51,855
Investment in and advances to affiliates	3,140	8,211
Structured finance investments, net of discount of \$303 and \$593 in 2002 and 2001, respectively	194,709	188,638
Investments in unconsolidated joint ventures	217,108	123,469
Deferred costs, net	34,957	34,901
Other assets	14,569	16,996
	-----	-----
Total assets	\$1,467,202	\$1,371,577
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Mortgage notes payable	\$ 374,800	\$ 409,900
Revolving credit facility	173,931	94,931
Derivative instruments at fair value	8,540	3,205
Accrued interest payable	1,801	1,875
Accounts payable and accrued expenses	32,893	22,819
Deferred compensation awards	671	1,838
Deferred revenue/gain	3,842	1,381
Capitalized lease obligations	15,895	15,574
Deferred land lease payable	14,466	14,086
Dividend and distributions payable	16,693	16,570
Security deposits	19,420	18,829
Liabilities related to assets held for sale	22,545	--
	-----	-----
Total liabilities	685,497	601,008
	-----	-----
Commitments and contingencies	44,941	46,430
8% Preferred Income Equity Redeemable Shares \$0.01 par value, \$25.00 mandatory liquidation preference, 25,000 shares authorized, 4,600 outstanding at September 30, 2002 and December 31, 2001	111,599	111,231
STOCKHOLDERS' EQUITY		
Common stock, \$0.01 par value 100,000 shares authorized, 30,376 and 29,978 issued and outstanding at September 30, 2002 and December 31, 2001, respectively	303	300
Additional paid-in capital	591,668	583,350
Deferred compensation plan	(5,987)	(7,515)
Accumulated other comprehensive loss	(8,279)	(2,911)
Retained earnings	47,460	39,684
	-----	-----
Total stockholders' equity	625,165	612,908
	-----	-----
Total liabilities and stockholders' equity	\$1,467,202	\$1,371,577
	=====	=====

SL GREEN REALTY CORP.
SELECTED OPERATING DATA-UNAUDITED

	September 30,	
	2002	2001
	----	----
OPERATING DATA:		
Net rentable area at end of period (in 000's)(1)	11,533	10,036
Portfolio occupancy percentage at end of period	97.0%	97.5%
Same store occupancy percentage at end of period	96.9%	97.7%
Number of properties in operation	25	25
Office square feet leased (rentable)	354,000	263,000
Average mark-to-market percentage-office	44.4%	40.4%
Average rent per rentable square feet	\$33.23	\$40.10

(1) Includes wholly owned and majority and minority owned properties.