

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 (Date of earliest event reported): July 28, 1999

RECKSON ASSOCIATES REALTY CORP.
and

RECKSON OPERATING PARTNERSHIP, L.P.

(Exact name of each Registrant as specified in its Charter)

Reckson Associates Realty Corp. - Maryland
Reckson Operating Partnership, L.P. - Delaware
(State or other jurisdiction of incorporation
or organization)

Reckson Associates Realty Corp. -
11-3233650
Reckson Operating Partnership, L.P. -
11-3233647
(IRS Employer ID Number)

1-13762
(Commission File Number)

225 Broadhollow Road
Melville, New York
Address of principal executive offices)

11747
(Zip Code)

(516) 694-6900
(Registrant's telephone number, including area code)

Item 5. Other Events.

Reckson Associates Realty Corp. (the "Company" or "Reckson") has completed (i) the stage one closing of the disposition of certain assets held by Reckson Morris Industrial ("RMI") to Keystone Properties Trust (formerly known as American Real Estate Investment Corporation) ("KTR"), a publicly traded real estate investment trust, and (ii) the sale of certain industrial properties owned by Reckson Operating Partnership, L.P. (the "Operating Partnership") to Matrix Development Group ("Matrix"). The assets disposed of in these transactions consisted of 22 "big box" industrial properties, comprising 3.9 million square feet, 276 acres of land and options to acquire 469 acres of land. As consideration for the RMI transaction, KTR paid \$106 million in cash (substantially all of which was used to reduce borrowings under the Operating Partnership's credit facility), \$75.9 million in convertible preferred securities of KTR (of which \$40 million was issued to Reckson), and \$1.5 million in KTR common stock (all of which was issued to Reckson). KTR also assumed \$16.4 million in debt. The Operating Partnership also sold certain land to Matrix in exchange for approximately \$1.6 million in cash and approximately \$10.1 million in purchase money mortgages.

In connection with the stage one closing, Mr. Scott Rechler, Reckson's Co-Chief Executive Officer and President, was appointed to the Board of Directors of KTR.

Three assets owned by successor entities to Reckson Morris Operating Partnership, L.P. along with three other assets owned by the Operating Partnership, will be sold to KTR in two additional stages that are expected to close in December of 1999 and April of 2000, for consideration of approximately \$51 million (including approximately \$45 million payable to Reckson) and \$48 million (including approximately \$47 million payable to Reckson), respectively.

The Company also announced that its Board of Directors has authorized the repurchase of up to 3 million shares of the Company's Class B exchangeable common stock (the "Class B Common Stock"). A purchase in the full amount would equal 25.7% of the 11.7 million shares of Class B Common Stock outstanding. The buyback will be accomplished through periodic purchases on the open market, by block purchases or in privately negotiated transactions. The Company repurchased 980,804 shares of Class B Common Stock in privately negotiated transactions.

In addition, Metropolitan Operating Partnership, L.P. ("Metropolitan"), a subsidiary of Reckson and the Operating Partnership, and

its subsidiaries, have closed on the disposition of the remaining properties located outside of New York that were acquired in the merger of Tower Operating Partnership, L.P. ("Tower") into Metropolitan, except for the property known as One Orlando. Since their acquisition from Tower, each of the sold properties has been held for sale by Reckson.

On September 29, 1999, Metropolitan closed on the sale of the Maitland West, Maitland Forum and 5750 Major Blvd. properties in Florida and the Century Plaza and 5151 East Broadway properties in Arizona to subsidiaries of Praedium Performance Fund IV, for an aggregate purchase price of \$75.5 million.

Metropolitan also closed on the sale of the property located at 2444 Las Palmeritas Drive and the property known as the Corporate Center in Phoenix, Arizona. On July 30, 1999, HUB Properties Trust, a subsidiary of HRPT Properties Trust, purchased the Las Palmeritas property for a purchase price of \$18.25 million. On August 19, 1999, a subsidiary of Transwestern Investment Company, L.L.C. purchased the Corporate Center property for \$37.4 million.

On July 28, 1999, Metropolitan closed on the disposition of the property known as the Deer Valley Corporate Center to Safeway Inc. for \$36 million.

On October 15, 1999, the Operating Partnership entered into a contract to acquire 1350 Avenue of the Americas, an approximately 540,000 square foot 35-story Class A office tower located in New York, New York, for a purchase price of approximately \$126.5 million.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

(c) Exhibits

- 10.1 Agreement of Purchase and Sale by and among Black Canyon Loop Company LLC, Metropolitan Operating Partnership, L.P. and Safeway Inc.
- 10.2 Purchase and Sale Agreement by and between Corporate Center Associates Limited Partnership and Transwestern Investment Company, L.L.C.
- 10.3 Purchase and Sale Agreement by and between East Broadway 5151 Limited Partnership, Metropolitan Operating Partnership, L.P., 5750 Associates Limited Partnership, Maitland Associates, Ltd. and Maitland West Associates Limited Partnership and Praedium Performance Fund IV, L.P.
- 10.4 Purchase and Sale Agreement by and between Metropolitan Operating Partnership, L.P. and HUB Properties Trust.
- 10.5 Contract of Sale between 54-55 Street Company and Reckson Operating Partnership, L.P.

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.

RECKSON ASSOCIATES REALTY CORP.

By: /s/ Michael Maturo

Michael Maturo
Executive Vice President
and Chief Financial Officer

RECKSON OPERATING PARTNERSHIP, L.P.

By: Reckson Associates Realty Corp.,
its General Partner

By: /s/ Michael Maturo

Michael Maturo
Executive Vice President
and Chief Financial Officer

Date: October 25, 1999

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT OF PURCHASE AND SALE (this "Agreement") is dated for reference purposes June 16, 1999, and is entered into by and among BLACK CANYON LOOP COMPANY LLC, an Arizona limited liability company, as fee owner of Parcel I described in Exhibit A ("BCLC"), METROPOLITAN OPERATING PARTNERSHIP, L.P., an Arizona limited partnership, as fee owner of Parcel 2 described in Exhibit A ("MOP") (collectively, "Seller"), and SAFEWAY INC., a Delaware corporation ("Buyer").

1. Agreement To Sell And To Buy. Seller agrees to sell and convey to Buyer and Buyer agrees to purchase from Seller all of Seller's right, title, and interest in the following described property (the "Subject Property"):
 - 1.1 Land. All of the land situated in the City of Phoenix, County of Maricopa, State of Arizona, commonly known as Deer Valley Corporate Center, and legally described in Exhibit A attached (including all appurtenances and Seller's right, title and interest, if any, in adjacent streets and alleys) (the "Land"), consisting of approximately 43 acres, upon which is located a building consisting of approximately One Hundred Seventy Thousand (170,000) square feet, together with related surface and single level deck parking.
 - 1.2. Improvements. All buildings, improvements, and fixtures situated on the Land (the "Improvements").
 - 1.2.1. The Improvements include a four (4) story, Class "A" office building totaling approximately 170,000 square feet, parked at 5/1000 with surface parking and a single level parking deck (collectively, the "Building").
 - 1.3. Tangible Personal Property. All tangible personal property owned by Seller, located on the Land and/or in the Improvements, and used in the ownership, operation, and maintenance of the Subject Property.
 - 1.4. Intangible Personal Property. Intangible property used in the ownership, operation, and maintenance of the Subject Property, consisting of the right to use the name "Deer Valley Corporate Center," and any related tradenames, trade dress, or trademarks, all leases, contract rights, instruments, documents of title, transferable licenses, plans, specifications, as-built drawings, and goodwill.
2. Purchase Price. The purchase price for the Subject Property is Thirty-six Million Dollars (\$36,000,000) cash (the "Purchase Price"), payable as follows:
 - 2.1. Initial Deposit. Within three (3) business days after execution and delivery of this Agreement, Buyer shall deposit in Escrow a check or draft in the sum of One Million Five Hundred Thousand Dollars (\$1,500,000) payable to the Escrow Agent and to be held in an interest bearing account for Buyer's account as a refundable deposit (the "Initial Deposit") applicable toward the Purchase Price.
 - 2.2. Cash At Closing. The balance of the Purchase Price shall be payable in cash at closing.
 - 2.3. Bonds and Assessments. Any bonds or assessments shall be paid in full by Seller.
3. Contingency Release Date; Close of Escrow; Additional Deposit.
 - 3.1. Contingency Release Date. The Contingency Release Date shall be the date which is thirty (30) days after the execution and delivery of this Agreement.
 - 3.2. Close of Escrow. The close of Escrow ("Closing") shall occur on or before the date (the "Closing Date") which is ten (10) days after the Contingency Release Date.
 - 3.2.1. If on the Closing Date title to the Subject Property is affected by any lien or encumbrance which is not a Permitted Exception (as defined below), Seller may adjourn the Closing from time to time upon written notice to Buyer to a date no later than August 16, 1999 for the purpose of attempting to remove the lien or encumbrance.
 - 3.2.2. If on the Closing Date Seller has not obtained the Certificate of Occupancy (as defined below), Seller may adjourn the Closing from time to time upon written notice to Buyer to a date no later than August 16, 1999 for the purpose of obtaining the Certificate of Occupancy.

- 3.2.3. If on the Closing Date one or more of the conditions set forth in Section 16 of this Agreement is not satisfied or waived, Seller may adjourn the Closing from time to time upon written notice to Buyer to a date no later than August 16, 1999 for the purpose of bringing about the satisfaction of the conditions.
- 3.2.4. If Closing has not occurred on or before August 16, 1999, on account of the failure of one or more of the conditions set forth in Subsection 3.2.1, 3.2.2, or 3.2.3, Buyer may adjourn the Closing from time to time upon written notice to Seller to a date no later than September 16, 1999 for the purpose of providing additional time for Seller to satisfactorily address the issues set forth in Subsection 3.2.1, 3.2.2, or 3.2.3, during which time Seller shall continue to use commercially reasonable efforts to do so. If Closing has not occurred on or before September 16, 1999, on account of the failure of one or more of the conditions set forth in Subsection 3.2.1, 3.2.2, or 3.2.3, either party shall have the right to terminate this Agreement upon written notice to the other.

3.3. Additional Deposit. Unless Buyer terminates this Agreement on or prior to the Contingency Release Date, within three (3) business days following the Contingency Release Date Buyer shall deposit in Escrow a check or draft in the sum of One Million Five Hundred Thousand Dollars (\$1,500,000) payable to the Escrow Agent and to be held in an interest bearing account for Buyer's account as an additional refundable deposit (the "Additional Deposit") applicable toward the Purchase Price.

3.4. Deposit. The Initial Deposit and the Additional Deposit shall be referred to as the "Deposit." Unless Buyer terminates this Agreement on or prior to the Contingency Release Date, the Initial Deposit shall be non-refundable after the Contingency Release Date. The Additional Deposit - shall be non-refundable when deposited in Escrow. The entire Deposit shall be applicable to the purchase price.

3.5. Seller's Right To Terminate. If Buyer does not timely terminate this Agreement pursuant to the provisions of Section 15 of this Agreement and Buyer fails to deposit the Additional Deposit in Escrow prior to 5:00 p.m. PDT on the third (3rd) business day after the Contingency Release Date, Seller shall have the right to terminate this Agreement by written notice to Buyer given at any time prior to the time Buyer deposits the Additional Deposit in Escrow, in which case Escrow Agent shall promptly deliver the Initial Deposit to Seller. In such event the Initial Deposit shall be deemed to be liquidated damages (and not a penalty) for Buyer's failure to perform its obligations under this Agreement, it being agreed that Seller's actual damages as a consequence of Buyer's default may be difficult, if not impossible, to accurately quantify.

4. Escrow. Within three (3) business days after the execution and delivery of this Agreement, the parties shall open an escrow (the "Escrow") with Commonwealth Land Title Company, 655 Third Avenue, New York, New York 10017 Attention Bill Deatly/Doug Forsythe (Voice: 212-949-0100 or 212-949-6208; Telecopy: 212-856-9308) (the "Escrow Agent"), and the parties shall deposit with Escrow Agent an executed copy of this Agreement. At the request of Seller, Buyer, or Escrow Agent, within seven (7) days after execution and delivery of this Agreement Escrow Agent shall prepare and Seller, Buyer, and Escrow Agent shall execute and deliver an escrow agreement reasonably satisfactory to Seller, Buyer, and Escrow Agent, which escrow agreement may clarify or restrict Escrow Agent's duties or liability, without, however, amending or modifying any portion of this Agreement.

5. Title Report Survey, and Review.

5.1. Within five (5) business days after the execution and delivery of this Agreement, Seller shall deliver to Buyer any existing survey and any existing title report or commitment covering all or any part of the Subject Property. Buyer may order at its expense a survey of the Subject Property (the "Survey", to be completed prior to closing), and within five (5) business days following the execution and delivery of this Agreement, Buyer shall order a current title commitment covering the Subject Property, together with legible copies of all documents referred to therein, to be issued to Buyer by Commonwealth Land Title Company (the "Title Company") (together, the "Title Report"). On or before the date which is ten (10) business days after Buyer's receipt of the Title Report and the Survey, Buyer shall notify Seller in writing of any matters listed in the Title Report or depicted on the Survey which Buyer disapproves (the "Title Defects"). Buyer's failure to notify Seller of Buyer's disapproval of a Title Report or Survey matter within this period shall be deemed

to be an approval of the matter. The Title Defects shall be cured or removed by Seller by the close of Escrow as a condition to Buyer's obligation to close and not as a covenant of Seller to remove the same, provided, however, that Seller shall use reasonable efforts to remove Title Defects. Seller shall remove mortgages, deeds of trust and related and similar loan security liens and encumbrances of record as of the date of execution and delivery of this Agreement, and other monetary liens caused or imposed by Seller, delinquent real estate taxes, and mechanics' liens (or with respect to mechanics' liens Seller may cause the Title Company to insure over). Except as otherwise provided in this Agreement with respect to completion of the Building and payment therefor, Seller shall not be required to expend funds in excess of Fifty Thousand Dollars (\$50,000) to remove non-monetary liens or other monetary liens. Seller shall inform Buyer promptly and in writing whether or not Seller anticipates being unable to remove any Title Defects. The parties acknowledge that Buyers review of leases is part of Buyer's feasibility study to be conducted by Buyer prior to the Contingency Release Date.

6. Title. Seller shall convey to Buyer marketable and insurable fee simple title to the Subject Property. Seller's obligation to convey title shall be deemed satisfied by Buyer's acceptance of the Deed and Title Policy. Title shall be evidenced by the issuance by the Title Company of its standard ALTA Owner's Policy of Title Insurance ("Title Policy") in the full amount of the Purchase Price. At Buyer's option, the Title Policy shall be an extended coverage policy. The Title Policy shall insure in Buyer fee simple title to the Subject Property, subject only to a lien to secure payment of real property taxes and assessments not delinquent and other exceptions which are disclosed by the Title Report and Survey and which are not disapproved by Buyer in accordance with the provisions of this Agreement (the "Permitted Exceptions"). Subject to reasonable approval of the Title Company and Buyer, and subject to Seller's obligation to pay monetary liens, Seller shall have the right, but not the obligation, to bond or escrow for monetary liens which are not readily dischargeable prior to closing (e.g., mechanic liens for TI's or other work commenced prior to Closing).
7. Closing Instruments. On the Closing Date, the parties shall deliver or cause to be delivered the following items (all of which shall be duly executed and acknowledged where required):
 - 7.1. Warranty Deed. A special warranty deed (the "Deed") in form of Exhibit B and reasonably satisfactory to the Title Company conveying to Buyer the real property comprising a portion of the Subject Property, subject only to the Permitted Exceptions.
 - 7.2. Bill of Sale and Assignment. A bill of sale and assignment for any personal property, without representation or warranty and in form and substance reasonably satisfactory to Buyer conveying to Buyer the personal property comprising a portion of the Subject Property.
 - 7.3. Assignment and Assumption of Leases. An assignment and assumption of leases (the "Assignment of Leases") in form and substance reasonably satisfactory to Seller and Buyer, and consistent with the provisions of this Agreement, assigning to Buyer the Leases (as defined below) from and after the date of the Closing and transferring to Buyer any deposits or prepaid rent under the Leases.
 - 7.4. Assignment and Assumption of TI Buildout Agreement(s). An assignment and assumption of the Chubb Buildout Agreement (as defined below), the Construction Management Agreement (as defined below) (if any), and any other contract for the construction of TI's under the Leases (the "Assignment of the TI Buildout Agreement(s)") in form and substance reasonably satisfactory to Seller and Buyer and consistent with the provisions of this Agreement, assigning to Buyer the Chubb Buildout Agreement, the Construction Management Agreement (if any), and any other contract for construction of TI's under the Leases.
 - 7.5. Assignment of Warranties. An assignment in form and substance reasonably satisfactory to Buyer of all rights under the construction contract(s) and related agreements for the construction of the Building and other Improvements, including any and all warranties or guaranties relating to the Building, TI's, and other Improvements (the "Assignment of Warranties").
 - 7.6. Title Insurance. The Title Policy in the amount of the Purchase Price, and any affidavits or other documents which the Title Company might reasonably request to issue the Title Policy.
 - 7.7. Keys. The keys and combinations to locks and other Security devices located on the Subject Property.
 - 7.8. Nonforeign Affidavit. An affidavit in a form satisfactory Buyer executed by Seller evidencing Seller's exemption from withholding under the Internal Revenue Code Section 1445.

- 7.9. Additional Documents. Additional documents which Buyer or the Title Company may reasonably request to consummate the sale of the Subject Property.
8. Closing Instructions. By the Closing Date, each party shall deposit with Escrow Agent its closing instructions. Escrow Agent may prepare and the parties shall promptly execute and return such reasonable and customary Escrow instructions consistent with this Agreement, as Escrow Agent may require in order to clarify or restrict Escrow Agent's duties or liability, without, however, amending any portion of this Agreement.
9. Building Completion; Existing Agreements.
- 9.1. Building Certificate of Occupancy. The parties acknowledge that construction of the Building shell and core may not be complete on the date of execution and delivery of this Agreement. Seller shall complete, prior to Closing at no cost or expense to Buyer, construction of the Building and all Improvements necessary for the beneficial use of the Building, including the issuance of a certificate of occupancy and/or any other permit or approval required for occupancy of the Building (collectively, the "Certificate of Occupancy").
- 9.1.1. Seller shall be responsible for all costs to complete the Building and all Improvements necessary for the beneficial use of the Building, and shall make arrangements satisfactory to the Title Company to permit the Title Company to issue the Title Policy without exceptions for any mechanic liens or other matters relating to work performed under the construction contract(s) and related agreements for the construction of the Building and other Improvements constructed prior to closing.
- 9.2. Existing Agreements.
- 9.2.1. Seller has entered into the following agreements (the "Existing Agreements") with respect to the Building:
- 9.2.1.1. Office Lease, dated December 1998, between BCLC and Federal Insurance Company (the "Chubb Lease").
- 9.2.1.2. Agreement Between Owner and Contractor, dated March 17, 1999, between BCLC and Jokake Construction Co. (the "Chubb Buildout Agreement").
- 9.2.1.3. Office Building Lease, dated May 21, 1999, between BCLC and Employers Mutual Casualty Company (the "Employers Mutual Lease").
- 9.2.1.4. The Chubb Lease and the Employers Mutual Lease are each referred to as a "Lease" and are collectively referred to as the "Leases."
- 9.2.2. BCLC anticipates entering into a Construction Management Agreement with JDB Asset Management, Inc. (or perhaps a third party) (in either case, the "Construction Management Agreement").
- 9.3. Tenant Improvements; Delivery of Evaluation Materials.
- 9.3.1. The parties acknowledge that the Leases obligate the landlord under the Leases to construct improvements and/or to perform other work as set forth in - the Leases (collectively, "TI's" or the "TI Work"). The Chubb Buildout Agreement is a construction contract for the construction of TI's under the Chubb Lease.
- 9.3.2. Simultaneously with the execution and delivery of this Agreement, and from time to time during prior to the Contingency Release Date as additional material becomes available, Seller shall deliver to Buyer true, complete and correct copies of the Existing Agreements, together with any final or preliminary scope of work documents, plans and specifications, cost estimates, and bids, to the extent available to Seller, as may be reasonably required for Buyer's evaluation of the scope and cost of the TI Work.
- 9.4. Completion of TI Work; Credit Against Purchase Price.
- 9.4.1. The parties anticipate that the TI Work under the Leases will not be complete prior to Closing. Pursuant to the Assignment of Leases to be executed and delivered at Closing, Buyer shall assume and agree to complete the TI Work under the Leases to the extent not complete prior to Closing.

- 9.4.2. During the period prior to Closing, Seller shall continue in the normal course of business to pursue in a commercially reasonable manner the performance of the TI Work under the Leases (including pre-construction activities such as, but not limited to, preparation of plans and specifications and application for permits for the TI Work), provided, however, that for coordination purposes Seller shall permit Buyer's representative to participate in this process and Seller shall consult with Buyer's representative prior to approving plans and specifications or entering contracts.
- 9.4.3. Pursuant to the Assignment of the TI Buildout Agreement(s) to be executed and delivered at Closing, Buyer shall assume the completion of the TI's under the Leases under the Chubb Buildout Agreement and any other contract for the construction of TI's under the Leases.
- 9.4.4. Prior to the Contingency Release Date, the parties shall determine the reasonably estimated (i) cost to complete the TI Work required to be constructed by the landlord under the Leases to the extent that the TI Work is not anticipated to be completed prior to Closing and to the extent that the cost is payable by the landlord under the Leases, and (ii) the cost to complete the Base Building Improvements (as defined below), to the extent that the Base Building Improvements are not anticipated to be completed prior to Closing, and the parties shall execute an agreement (the "TI Credit Agreement") establishing the cost to complete and otherwise implementing the provisions set forth in this Section. With respect to the Chubb Lease, the cost to complete the TI Work shall be an amount equal to the excess, if any, of \$1,094,449 over the amounts actually expended by Seller to discharge its obligation to construct TI Work under the Chubb Lease or credited to the tenant in accordance with the Chubb Lease in connection with tenant improvements. Seller shall credit Buyer at Closing, as a credit against the Purchase Price, (i) with respect to the Chubb Lease, an amount calculated pursuant to the immediately preceding sentence, and (ii) with respect to the Employers Mutual Lease, for the estimated cost to complete payable by the landlord as determined by the parties pursuant to the first sentence of this Section 9.4.4. If Seller has a guaranteed maximum cost TI Buildout Agreement for the Employers Mutual Lease, the cost to complete will be based on the costs and estimated stage of completion under the TI Buildout Agreement. If Seller does not have a guaranteed maximum cost TI Buildout Agreement for the Employers Mutual Lease, Seller shall credit Buyer at closing, as a credit against the purchase price, for the estimated cost to complete payable by the landlord under the TI Buildout Agreement, as reasonably agreed to by the parties prior to the Contingency Release Date, and Seller shall escrow a ten percent (10%) contingency to be disbursed against costs to complete payable by landlord, if any, which are in excess of the credit, or refunded to Seller if and to the extent costs do not exceed the credit. In any case, the cost to complete shall include the unpaid fees and costs under the Construction Management Agreement, if any. In addition, Seller shall credit Buyer at Closing, as a credit against the Purchase Price, for the amount, if any, of the cost to complete the base building improvements described in Exhibit D-1 of the Chubb Lease ("Base Building Improvements"), as determined pursuant to the provisions of the first sentence of this Section.
- 9.4.5. The parties acknowledge their mutual intent during the term of this Agreement to cooperate to the end that TI Work shall be completed in accordance with a schedule which will permit rent to commence under the Chubb Lease on August 1, 1999 and under the Employers Mutual Lease on September 1, 1999.
- 9.5. Other Terms. Prior to the Closing Date, Seller shall not enter into any new leases affecting the Subject Property without Buyer's prior written consent, which consent Buyer may grant or withhold in its sole discretion. On the Closing Date Seller shall deliver evidence reasonably satisfactory to Buyer that the manager and any leasing agents employed by Seller with respect to the Subject Property have been paid all compensation due for services rendered and that all agreements with respect to management and leasing of the Project have been terminated. Seller warrants the Subject Property will be delivered to Buyer free Of any contracts whatsoever except as provided in this Agreement or otherwise approved in writing by Buyer-
10. Adjustments. Prorations. All rents and other revenues and receipts (if any) and all real property taxes and assessments, utility charges, and

other expenses and disbursements of the Subject Property shall be prorated as of 12:00 midnight on the Closing Date. All sums due for accounts payable which were owing or incurred by the Subject Property prior to the Proration Date will be paid by Seller, and Seller agrees to indemnify and hold Buyer harmless with respect thereto. Buyer will forward to Seller any bills for such period received after the Closing Date for payment and Buyer shall have no further obligation with respect thereto. Seller shall retain any utility deposits. Buyer agrees to indemnify and hold Seller harmless with respect to all accounts payable and other claims relating to the Subject Property which are incurred or accrue after the Closing Date.

11. Closing Costs. Each party shall pay half of the Escrow fee. Seller shall pay notary fees, any expenses incurred in examination of title, expenses of placing title in proper condition (to the extent Seller is required to do so pursuant to this Agreement) and the title premium for a standard coverage Title Policy, and all governmental impositions incurred as a result of the transfer of title to Buyer, except that Buyer shall pay the cost of recording the Deed. Buyer shall pay any added Title Policy premium attributable to extended coverage.
12. Possession. Possession of the Subject Property shall be delivered to Buyer on the close of Escrow, free from all third party rights of possession, except rights of possession under Leases.
13. Inspections and Feasibility Study. Prior to closing, Buyer and its employees, agents, servants, representatives and contractors may enter upon the Subject Property at reasonable times and in a reasonable manner for purposes of making or performing, at Buyer's expense, such feasibility studies, borings, surveys, structural and other inspections, planning, engineering studies, soil tests and studies, environmental sampling and/or tests (collectively "Tests"), as Buyer deems necessary or advisable; provided, however, that all such Tests conducted on the Subject Property shall be undertaken in a safe, workmanlike and reasonable manner, and that Buyer shall substantially restore any area which may be disturbed to its condition prior to such Tests. Also during the Escrow period, Buyer shall have access to and upon request shall receive copies of and may examine all of Seller's records for the Subject Property, including plans and specifications, permits, certificates of occupancy, reports, and records of all operating costs and expenses, correspondence, contracts, leases, and accounts regarding the construction, operation and maintenance of the Subject Property. Buyer shall indemnify, defend and hold harmless Seller from and against any and all loss, costs, liability, damage and expenses, including, but not limited to, penalties, fines, court costs, disbursements and attorneys' fees incurred in connection with or arising from injuries to persons or damage to property caused by Buyer, its agents, servants, employees, representatives or contractors while on the Subject Property and Buyer shall deliver to Seller evidence of commercial general liability insurance maintained by Buyer insuring Buyer's indemnity under this Section at such time as Buyer requests access to the Subject Property in accordance with this Section. The provisions of this Section shall be binding upon Buyer regardless of whether or not the transactions contemplated by this Agreement are consummated and shall survive for a one-year period following the termination of this Agreement or Closing.
14. Condition Of The Subject Property. Subject to Seller's continuing construction of Phase I of the Deer Valley Corporate Center and to the terms of this Agreement, Seller shall deliver possession of the Subject Property in substantially the same condition as existed on the date Of execution and delivery of this Agreement.
15. Buyer's Right To Terminate. If as a result of Buyer's inspections, feasibility studies, or for any other reason whatsoever, Buyer, in its sole judgment based upon its own criteria, determines that Buyer's purchase of the Subject Property is not feasible, Buyer shall have the right to terminate this Agreement by written notice given to Seller at any time on or before 5:00 p.m. PDT on the Contingency Release Date If Buyer fails to give timely notice of termination, Buyer shall be deemed to have waived its right to terminate this Agreement pursuant to the provisions of this Section 15. In the event of such termination, the Escrow shall be canceled, the Deposit shall be returned to Buyer, and all documents and any other funds in Escrow shall be returned immediately to the party having deposited the same. If Buyer does not terminate this Agreement on before the Contingency Release Date, the Deposit shall become non-refundable and constitute liquidated damages as provided elsewhere in this Agreement.
16. Purchase Conditions. The following are conditions precedent to the obligation of Buyer to purchase the Subject Property. Unless and except to the extent waived by Buyer, each of such conditions shall be and remain fully satisfied in Buyer's sole subjective discretion before Buyer shall be obligated to purchase the Subject Property.
 - 16.1. Zonina. That there be no change in the zoning or entitlements for the Subject Property after the Contingency Release Date.

16.2. Environmental. Buyer, prior to the Contingency Release Date, shall have the right to obtain a written report by a recognized environmental consulting and/or testing firm retained by Buyer demonstrating to Buyer's satisfaction that the Subject Property, and property adjacent thereto, including without limitation its surface water, ground water, air, soils and improvements thereon, contains no Hazardous Material and there has been no Hazardous Discharge or Environmental Notice with regard thereto, and that there has been no change in the environmental condition after the Contingency Release Date.

16.3. Structural and Building Report. Buyer, prior to the Contingency Release Date, shall have the right to obtain a written report from a consulting engineer or other professionals retained by Buyer demonstrating to Buyer's satisfaction that the condition (including the structural condition) of the Subject Property is satisfactory, and that there has been no change in the condition of the Subject Property after the Contingency Release Date, except as otherwise contemplated by this Agreement.

17. Representations and Warranties. Seller hereby represents and warrants to and for the benefit of Buyer, as follows:

17.1. Legal Proceedings, Eminent Domain, and Government Regulation. From and after May 24, 1999, MOP has no knowledge of and has received no notification of any material suits (including, without limitation, condemnation or eminent domain proceedings or actions), hearings, governmental investigations or other legal proceedings (collectively "Proceeding") pending or threatened against Seller, before any court or governmental department or agency which may impact the Subject Property. From and after May 24, 1999, MOP has not received any offer ("Offer") from any public or quasi-public authority, having powers of eminent domain over the Subject Property, to purchase or acquire the Subject Property or any portion thereof or interest therein. From and after May 24, 1999, MOP has received no notification ("Notification") that Seller is subject to or in default with respect to, any order, writ, injunction or decree of any court or governmental department or agency directed specifically to Seller relating to the use of the Subject Property. Seller shall give Buyer immediate written notice of any Proceeding, Offer or Notification which may occur prior to the close of Escrow and of which Seller has actual knowledge. To the best of Seller's knowledge after May 24, 1999, except as disclosed in writing to Buyer within ten (10) days after the execution and delivery of this Agreement, Seller has received no written notice that the Subject Property violates applicable building, zoning, or other statutes or regulations.

17.2. Insolvency. Seller is not the subject of any insolvency or bankruptcy proceedings at law or in equity or otherwise, the result of which might affect title to the Subject Property or the right of Seller to transfer and convey, or cause to be transferred and conveyed, the Subject Property to Buyer.

17.3. Disclosure. Seller will inform Buyer of any material adverse change in the physical condition of the Subject Property of which Seller is aware prior to closing.

17.4. Environmental. Seller shall authorize and does hereby authorize its environmental consultant (Law Engineering) to make available and furnish to Buyer true, accurate and complete copies of all reports and sampling and test results obtained from all environmental and/or health samples and tests taken at or around the Subject Property by, or on behalf of Seller's environmental consultant. Seller shall give Buyer immediate written notice of any Hazardous Discharge or Environmental Notice which may occur prior to the close of Escrow and of which Seller has actual knowledge.

18. Accuracy at Close. All representations and warranties hereunder are intended to and shall remain true and correct as of the time of the close of Escrow and at all times herein shall be deemed to be material. Seller covenants and agrees to defend, indemnify and save harmless Buyer from any liability, damages, loss, cost and expense (including reasonable attorneys' fees) of whatsoever kind and nature arising out of any misrepresentation or breach of warranty with respect to such representations and warranties, provided that Seller shall not be in breach of any representation or warranty contained in this Agreement, nor shall Seller be obligated to indemnify Buyer, in the event that a condemnation proceeding is commenced between the Contingency Release Date and the Closing with respect to an immaterial and de minimis portion of the Subject Property.

19. Risk of Loss. If any portion of the Subject Property is taken by eminent domain or condemnation or any transfer in lieu thereof (excluding any minor taking related to the development plan currently in place), or if

any improvements on the Subject Property are destroyed or materially damaged prior to the transfer of title, Buyer may (i) terminate this Agreement, or (ii) complete the purchase of the Subject Property, in which case there shall be no reduction in the Purchase Price and all condemnation and insurance proceeds shall be assigned and paid to Buyer. In the event Buyer terminates this Agreement, the Escrow shall be canceled, the Deposit shall be returned to Buyer, and all documents and any funds in Escrow shall be returned immediately to the party having deposited the same.

20. Seller's Remedies. If Buyer fails to close the Escrow for reasons which constitute a default by Buyer under this Agreement, Seller may give five (5) days written notice to Escrow Agent and Buyer and if Buyer does not cure such default as set forth in such notice within such five (5) day period, Seller thereafter as its sole remedy may terminate this Agreement by written notice to Buyer and Escrow Agent. Upon such termination, the Escrow shall be canceled, Escrow Agent shall promptly deliver to Seller the Deposit (not including any interest), and all documents and any funds (other than the Deposit) in the Escrow shall be returned immediately to the party having deposited the same. BUYER AND SELLER AGREE BY PLACING THEIR INITIALS HERE (BUYER _____ SELLER _____) THAT IF SELLER TERMINATES THIS AGREEMENT UPON THE BUYER'S DEFAULT AS SET FORTH IN THIS AGREEMENT, SELLER, AS ITS SOLE REMEDY, SHALL RETAIN THE DEPOSIT AS LIQUIDATED DAMAGES FOR THE DEFAULT.
21. Buyer's Remedies. If Seller fails to close the Escrow for reasons which constitute a default by Seller under this Agreement, Buyer may give five (5) days written notice to Escrow Agent and Seller and if Seller does not cure the default as set forth in such notice with such five (5) day period, Buyer as its sole remedy may bring an action for specific performance of this Agreement and recovery of damages incidental to the action.
22. Remedies Cumulative. Except as otherwise provided in this Agreement, all remedies permitted or available to Buyer or Seller under this Agreement, or at law, or in equity, or by statute, shall be cumulative and not alternative, and exercise of any such right or remedy shall not constitute a waiver or election of remedies with respect to any other permitted or available right or remedy.
23. No Waiver. No waiver by either party of any default under this Agreement by the other party shall be effective or binding upon such party unless given in the form of a written instrument signed by such party, and no such waiver shall be implied from any omission by such party to take action with respect to such default. No express written waiver of any default shall affect any other default or cover any period of time other than the default and/or period of time specified in such express waiver. One or more written waivers of any default under any provision of this Agreement shall not be deemed to be a waiver of any subsequent default in the performance of the same provision or any other term or provision contained in this Agreement.
24. Governing Law. This Agreement shall be governed and enforced by, and construed in accordance with the laws of the state in which the Subject Property is located.
25. Attorneys' Fees. In the event either party hereto finds it necessary to employ legal counsel or to bring an action at law or other proceedings against the other party to enforce any of the terms, covenants or conditions hereof, the prevailing party in such action or proceeding shall be paid all reasonable attorneys' fees, as determined by the court and not the jury, and in the event any judgment is secured by such prevailing party, all such attorneys' fees shall be included in any such judgment in such action or proceedings.
26. Notices. Notices made by the parties pursuant hereto may be served personally or may be served by depositing the same in the United States mail, postage prepaid, certified or registered mail, addressed as follows:

26.1. If to Seller:

26.1.1. Black Canyon Loop Company LLC
c/o Reckson Associates Realty Corporation
10 East 50th Street, 27th Floor
New York, NY 10022
Attention: Diane Conniff, Esq.

With a copy to:

26.1.2. Metropolitan Operating Partnership, L.P.
c/o Reckson Associates Realty Corporation
25 Broadhollow Road
Melville, NY 11747
Attention: Jason Barnett, Esq.

26.2. If to Buyer:

26.2.1. Safeway Inc.
5918 Stoneridge Mall Road
Pleasanton, California 94588-3229
Attention: Donald P. Wright

With a copy to:

26.3. Safeway Inc.
5918 Stoneridge Mall Road
Pleasanton, California 94588-3229
Attention: Donald B. Shaw

The foregoing addresses may be changed by written notice given pursuant to provisions of this Section.

27. Broker's Commission. Seller represents and warrants to Buyer and Buyer represents and warrants to Seller that neither has used any broker, agent, finder or other person in connection with the transaction contemplated hereby to whom a brokerage or other commission or fee may be payable, other than CB Richard Ellis, who has acted as agent for Buyer. Seller shall pay any and all compensation which may be owing to CB Richard Ellis pursuant to a separate written agreement between Seller and CB Richard Ellis. Buyer assumes no liability with respect to the payment of a commission or any other compensation to CB Richard Ellis. Each party indemnifies and agrees to defend and hold the other harmless from any claims resulting from the breach by the indemnifying party of the warranties and representations in this Section.
28. Survival. All covenants, agreements, representations or warranties contained in this Agreement shall survive the close of Escrow and the conveyance of the Subject Property for a period of six (6) months and shall not be deemed to be merged into or waived by the instruments of closing or transfer, but shall expressly survive and be binding upon the parties obligated by the covenant, agreement, representation or warranty, unless expressly stated to the contrary.
29. Execution and Change It is understood and agreed that until this Agreement is fully executed and delivered by the authorized partners, corporate officers or other individuals, as applicable, of the parties hereto, there is not and shall not be an agreement of any kind between the parties hereto upon which any commitment, undertaking or obligation can be founded. It is further agreed that once this Agreement is fully executed and delivered that it contains the entire agreement between the parties hereto and that, in executing it, the parties do not rely upon any statement, promise, or representation not herein expressed and this Agreement once executed and delivered shall not be modified, changed or altered in any respect except by a writing executed and delivered in the same manner as required for this Agreement.
30. Time of the Essence. Time is of the essence of this Agreement and each and every term, condition and provision hereof.
31. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original, but all of which, together, shall constitute one and the same instrument.
32. Successors and Assigns.
- 32.1. Binding on Successors and Assigns. Except as otherwise provided in this Agreement, this Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors, heirs, administrators and assigns.
- 32.2. Limits on Buyer's Assignment. Except as otherwise provided in this Agreement, this Agreement and Buyer's rights under this Agreement may not be assigned by Buyer without the prior written consent of Seller, except that Buyer may assign its rights under this Agreement to any subsidiary or affiliate for the purpose of taking title to the Subject Property, provided that Buyer named in this Agreement shall remain liable under this Agreement until the Closing occurs and Seller has received the Purchase Price in accordance with this Agreement.
- 32.3. Buyer's Exchange Cooperation. If requested to do so by Seller, Buyer shall cooperate in a simultaneous or deferred exchange by permitting Seller to assign this Agreement to a third party (an "Exchange Facilitator") and by accepting a conveyance of the Subject Property from the Exchange Facilitator. The, assignment may take effect only simultaneously with the closing under this Agreement, and in no event shall Seller be relieved of any liability under this Agreement by reason of the assignment and in no event shall the Exchange Facilitator have any right to enforce this Agreement that Seller would not have if there had been no assignment. Buyer shall not be required to bear any escrow, title, or other expenses in excess of

those Buyer would bear if there were no exchange, nor shall Buyer be required to expend any sums of money in connection with the exchange. Buyer shall not be required to execute any document creating personal liability or assume or be exposed to any liability in connection with an exchange, nor shall the Closing Date be extended to consummate an exchange. In no event shall Buyer be required to take title to any property other than the Subject Property, and in no event shall Buyer be responsible for any tax consequences to Seller or any other party in connection with an exchange. Seller agrees and covenants to defend, indemnify, protect, and save harmless Buyer from any liability, damages, loss, cost and expense (including reasonable attorneys' fees) of whatsoever kind and nature arising out of any exchange.

32.4. Seller's Exchange Cooperation. If requested to do so by Buyer, Seller shall cooperate in a simultaneous or deferred exchange by permitting Buyer to assign this Agreement to a third party (also an "Exchange Facilitator") and by transferring the Subject Property to the Exchange Facilitator. The assignment may take effect only simultaneously with the closing under this Agreement, and in no event shall Buyer be relieved of any liability under this Agreement by reason of the assignment and in no event shall the Exchange Facilitator have any right to enforce this Agreement that Buyer would not have if there had been no assignment. Seller shall not be required to bear any escrow, title, or other expenses in excess of those Seller would bear if there were no exchange, nor shall Seller be required to expend any sums of money in connection with the exchange. Seller shall not be required to execute any document creating personal liability or assume or be exposed to any liability in connection with an exchange, nor shall the Closing Date be extended to consummate an exchange. In no event shall Seller be required to take title to any property other than the Subject Property, and in no event shall Seller be responsible for any tax consequences to Buyer or any other party in connection with an exchange. Buyer agrees and covenants to defend, indemnify, protect, and save harmless Seller from any liability, damages, loss, cost and expense (including reasonable attorneys' fees) of whatsoever kind and nature arising out of any exchange.

33. No Recording. This Agreement may not be recorded by Buyer. The recording of this Agreement shall be deemed a material default under this Agreement entitling Seller to terminate this Agreement and retain the Deposit in addition to such other remedies as may be available in equity or at law.

34. Other Offers, Confidentiality. From and after the execution and delivery of this Agreement, Seller and its representatives and affiliates will not solicit or accept any offer for the purchase of the Subject Property from any party other than Buyer unless and until this Agreement is terminated in accordance with its terms. Except as may be required by law or as may be necessary to effectuate the contemplated transaction, both Seller and Buyer, individually and on behalf of their representatives (including lenders, principals, affiliates, and clients, it being agreed that Seller and Buyer each shall be responsible for the breach by their respective representatives of the terms of this Section), agree that until closing they and their respective representatives shall hold both the terms and conditions of this Agreement and its existence as confidential information and will not disclose such terms, conditions, or existence to any third party without the other's consent, not to be unreasonably withheld.

35. Facsimile Signatures. The parties agree to be bound by facsimile signatures with the same force and effect as if the same were originals.

36. Contacting Tenants. Buyer shall not contact any tenant or prospective tenant at the Subject Property without the prior written consent of Seller, not to be unreasonably withheld.

37. Expiration Buyer shall have no obligation under this Agreement unless Seller duly executes and delivers to Buyer (or Buyer's broker) an executed counterpart original of this Agreement (via facsimile or otherwise) prior to 4:00 p.m. PDT on Wednesday, June 17, 1999.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates set forth below.

BLACK CANYON LOOP COMPANY LLC,
an Arizona limited liability company

SAFEWAY INC.
a Delaware corporation,

By: _____
Its

By: /s/ Donald Shaw
_____ Its Vice President

Date: _____, 1999

Date: _____

PARTNERSHIP, L.P.

By: Metropolitan Partners, LLC, its general partner,

By: /s/Mitchell Rechler

Its

Date: _____, 1999

EXHIBITS

- A LEGAL DESCRIPTION
- B WARRANTY DEED

EXHIBIT A

Parcel 1

Order Number: 224532

LEGAL DESCRIPTION

A parcel of land lying within Section 24, Township 4 North, Range 2 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

COMMENCING at the Southwest corner of Lot 4, as depicted on the Final Plat for Deer Valley Towne Center Unit II, as recorded in Book 454, page 48, records of Maricopa County, Arizona, said point being the POINT OF BEGINNING of the herein described parcel;

THENCE along the West line of said lot, North 00 degrees 26' 27" West, a distance of 91.67 feet;

THENCE continuing along said West line, South 89 degrees 33' 33" West, a distance of 2.00 feet;

THENCE continuing along said West line, North 00 degrees 26' 27" West, a distance of 26.64 feet;

THENCE continuing along said West line, North 04 degrees 19' 45" East, a distance of 144.31 feet;

THENCE continuing along said West line, North 00 degrees 26' 27" West, a distance of 99.41 feet, to the beginning of a curve;

THENCE Northerly along said West line and said curve, having a radius of 20.00 feet, concave Southeasterly through a central angle of 90 degrees 00' 00", a distance of 31.42 feet, to the curve's end;

THENCE continuing along said West line North 89 degrees 33' 33" East, a distance of 1.00 feet;

THENCE continuing along said West line, North 00 degrees 26' 27" West, a distance of 41.16 feet;

THENCE continuing along said West line, South 89 degrees 33' 33" West, a distance of 13.00 feet, to the beginning of a curve;

THENCE Westerly along said West line and said curve, having a radius of 20.00 feet, concave Northeasterly through a central angle of 64 degrees 07' 54", a distance of 22.39 feet, to a point of intersection with a non-tangent line;

THENCE leaving said West line, North 89 degrees 33' 33" East, a distance of 297.83 feet;

THENCE North 56 degrees 38' 32" East, a distance of 92.05 feet;

THENCE North 89 degrees 33' 33" East, a distance of 167.03 feet;

THENCE South 00 degrees 26' 27" East, a distance of 30.06 feet;

THENCE North 89 degrees 33' 33" East, a distance of 279.69 feet, to a point on the East line of said lot and the beginning of a non-tangent curve;

THENCE Southerly along said East line and said curve, having a radius of 740.00 feet, concave Northwesterly, whose radius bears North 74 degrees 26' 30" West, through a central angle of 47 degrees 18' 47", a distance of 611.07 feet, to a point on the South line of said lot and a point of intersection with a non-tangent line;

THENCE along said South line, South 89 degrees 59' 06" West, a distance of 442.85 feet, to the POINT OF BEGINNING.

EXHIBIT A

Parcel 2

Order Number: 239975

LEGAL DESCRIPTION

All of Lot 3 and Lot 4, Deer Valley Towne Center II, according to Book 454 of Maps, Page 48, records of Maricopa County, Arizona; EXCEPT a parcel of land lying within Section 24, Township 4 North, Range 2 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona more particularly described as follows:

COMMENCING at the Southwest corner of Lot 4, as depicted on the Final Plat for Deer Valley Towne Center Unit II, as recorded in Book 454,

page 48, records of Maricopa County, Arizona, said point being the POINT OF BEGINNING of the herein described parcel;
THENCE along the West line of said lot, North 00 degrees 26' 27" West, a distance of 91.67 feet;
THENCE continuing along said West line, South 89 degrees 33' 33" West, a distance of 2.00 feet;
THENCE continuing along said West line, North 00 degrees 26' 27" West, a distance of 26.64 feet;
THENCE continuing along said West line, North 04 degrees 19' 45" East, a distance of 144.31 feet;
THENCE continuing along said West line, North 00 degrees 26' 27" West, a distance of 99.41 feet, to the beginning of a curve;
THENCE Northerly along said West line and said curve, having a radius of 20.00 feet, concave Southeasterly through a central angle of 90 degrees 00' 00", a distance of 31.42 feet, to the curve's end;
THENCE continuing along said West line North 89 degrees 33' 33" East a distance of 1.00 feet;
THENCE continuing along said West line, North 00 degrees 26' 27" West, a distance of 41.16 feet;
THENCE continuing along said West line, South 89 degrees 33' 33" West, a distance of 13.00 feet, to the beginning of a curve;
THENCE Westerly along said West line and said curve, having a radius of 20.00 feet, concave Northeasterly through a central angle of 64 degrees 07' 54", a distance of 22.39 feet, to a point of intersection with a non-tangent line;
THENCE leaving said West line, North 89 degrees 33' 33" East, a distance of 297.83 feet;
THENCE North 56 degrees 38' 32" East, a distance of 92.05 feet;
THENCE North 89 degrees 33' 33" East, a distance of 167.03 feet;
THENCE South 00 degrees 26' 27" East, a distance of 30.06 feet;
THENCE North 89 degrees 33' 33" East, a distance of 279.69 feet, to a point on the East line of said lot and the beginning of a non-tangent curve;
THENCE Southerly along said East line and said curve, having a radius of 740.00 feet, concave Northwesterly, whose radius bears North 74 degrees 26' 30" West, through a central angle of 47 degrees 18' 47", a distance of 611.07 feet, to a point on the South line of said lot and a point of intersection with a non-tangent line;
THENCE along said South line, South 89 degrees 59' 06" West, a distance of 442.85 feet, to the POINT OF BEGINNING.

EXHIBIT B

When recorded, return to:

(Space above this line for Recorder's use)

SPECIAL WARRANTY DEED

For the consideration of Ten Dollars and other valuable consideration, the receipt and sufficiency of which are acknowledged, _____, a _____ limited partnership and _____, a _____ limited liability company (collectively "Grantor"), conveys to _____, a _____, the following described real property situated in Maricopa County, Arizona, together with all buildings, structures, improvements and fixtures thereon and all rights and privileges appurtenant thereto:

See the legal description set forth in Exhibit "A" attached and incorporated by this reference (the "Property").

SUBJECT TO only those matters set fort in Exhibit "B" attached and incorporated by this reference.

Grantor binds itself and its successors to warrant and defend the title to the Property against all acts of Grantor since May 24, 1999 and no other subject to only the matters set forth above.

Dated this ____ day of _____, 1999.

METROPOLITAN OPERATING PARTNERSHIP, L.P.

By: Metropolitan Partners, LLC, its general partner

By: _____
Name: _____
Title: _____

PURCHASE AND SALE AGREEMENT

BY AND BETWEEN:

CORPORATE CENTER ASSOCIATES LIMITED PARTNERSHIP
(the "SELLER")

and

TRANSWESTERN INVESTMENT COMPANY, L.L.C.
(the "PURCHASER")

Dated: as of June __, 1999

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SCHEDULES

Schedule 1:	List of Personal Property
Schedule 2.	Leases
Schedule 3:	Security Deposits
Schedule 4:	Service Contracts
Schedule 5:	Brokerage Agreements
Schedule 6:	Litigation or other Proceedings
Schedule 7:	Permitted Encumbrances
Schedule 8:	Rent Arrearages as of May 31, 1999

EXHIBITS

Exhibit A:	Legal Description of the Land
Exhibit B:	Deed
Exhibit C:	Assignment and Assumption Agreement
Exhibit D:	FIRPTA Certificate
Exhibit E:	Tenant Estoppel

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this "AGREEMENT") made as of the ___ day of June, 1999 by and between CORPORATE CENTER ASSOCIATES LIMITED PARTNERSHIP, having an address at c/o Metropolitan Partners, LLC, 225 Broadhollow Road, Melville, New York 11747 (the "SELLER") and TRANSWESTERN INVESTMENT COMPANY, L.L.C., having an address at 150 N. Wacker Drive, Suite 800, Chicago, Illinois 60606 (hereinafter, the "PURCHASER").

RECITALS

A. The Seller is the fee owner of the Property (as hereinafter defined).

B. Purchaser desires to purchase the Property and Seller desires to sell the same to Purchaser pursuant to the terms hereof.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, do hereby agree as follows:

SECTION 1: SUBJECT OF SALE

Section 1.01. Subject to and in accordance with the terms and conditions of this Agreement, the Seller shall transfer and convey to Purchaser (i) those certain parcels of real property situate, lying and being in the State of Arizona and being more particularly described on EXHIBIT A attached hereto (the "LAND"), (ii) all of the improvements located on the Land (individually, a "BUILDING" and collectively, the "IMPROVEMENTS") and (iii) all of the Seller's right, title and interest in and to the following:

(a) all rights, privileges, grants and easements appurtenant to the Seller's interest in the Land and Improvements, including, without limitation, all of the Seller's right, title and interest in and to the Land lying in the bed of any public street, road or alley, all mineral and water rights and all easements, licenses, covenants and rights-of-way or other appurtenances used in connection with the beneficial use and enjoyment of the Land and Improvements (the Land and Improvements and all such rights, privileges, easements, grants and appurtenances are sometimes referred to herein as the "REAL PROPERTY");

(b) the fixtures, machinery, equipment, and other items of personal property owned by the Seller, set forth on Schedule 1 attached hereto and made a part hereof (the "PERSONAL PROPERTY"), and used in connection with the ownership or operation of the Real Property;

(c) all leases and other agreements with respect to the use and occupancy of the Real Property, together with all amendments and modifications thereto and any guaranties provided thereunder (individually, a "LEASE", collectively, the "LEASES"), and rents, additional rents, reimbursements, profits, income, receipts and the amounts deposited under any such Leases in the nature of security for the performance of any Tenant's obligations thereunder listed on Schedule 3 attached hereto and made a part hereof (individually, a "SECURITY DEPOSIT"; collectively, the "SECURITY DEPOSITS"), to the extent not previously or hereafter applied to unperformed obligations under the Leases;

(d) the right to use any names by which any of the Real Property is commonly known and all goodwill, if any, related to said names;

(e) all governmental permits, licenses, approvals, and certificates relating to the Real Property and the Personal Property (collectively, the "PERMITS AND LICENSES") and all of the Seller's right, title and interest in and to (i) those contracts (including, without limitation, management contracts) and agreements for the servicing, maintenance, repair and operation of the Real Property listed on Schedule 4 attached hereto and made a part hereof (the "SERVICE CONTRACTS") and (ii) the brokerage agreements listed on Schedule 5 attached hereto and made a part hereof (the "BROKERAGE AGREEMENTS") relating to the Leases;

(f) all books, records, promotional material, tenant data, past and current rent rolls, market studies, keys, plans and specifications, owned by the Seller (other than the general ledger account of the Seller) and which are used in connection with the use and operation of the Real Property or Personal Property (collectively, the "BOOKS AND RECORDS"); and

(g) all other rights, privileges, and appurtenances owned by the Seller, if any, and directly related to the ownership, use or operation of the Real Property or Personal Property, including, without limitation, any real estate tax refunds relating to the Property.

The Real Property, the Personal Property, the Leases, the Security Deposits, the Permits and Licenses, the Service Contracts, the Brokerage Agreements, the Books and Records, and all other property interests relating or appurtenant thereto being conveyed hereunder are hereinafter collectively referred to as the "PROPERTY" or the "PROPERTIES".

SECTION 2: DEFINITIONS

Section 2.01. For all purposes of this Agreement, except as otherwise expressly provided or unless the context clearly indicates a contrary intent:

(i) the capitalized terms defined in this Section have the meanings assigned to them in this Section, and include the plural as well as the singular; and

(ii) the words "herein", "hereof", and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Section or other subdivision. "ACTUAL KNOWLEDGE" shall

mean the actual knowledge of Metropolitan Operating Partnership, L.P. ("MOP") from and after May 24, 1999 (May 24, 1999 being the date on which MOP gained 100% of the direct and indirect ownership interests in Seller and the Property).

"ADDITIONAL DEPOSIT" shall mean the \$1,500,000.00 deposit described in Section 3.03 hereof, together with all interest earned thereon.

"AFFILIATE" as to any Person, shall mean any other Person which, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" of a Person means the power, directly or indirectly, either to (a) vote 50% or more of the securities having ordinary voting power for the election of directors of such Person or (b) direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

"ASSIGNMENT AND ASSUMPTION AGREEMENT" shall mean the Assignment and Assumption Agreement in the form of Exhibit C attached hereto.

"BINDING DATE" shall have the meaning set forth in Section 3.03 hereof.

"BOOKS AND RECORDS" shall have the meaning set forth in Section 1.01 hereof.

"BROKERAGE AGREEMENTS" shall have the meaning set forth in Section 1.01 hereof.

"BUSINESS DAY" shall mean any day other than a Saturday, Sunday or State of New York or federal legal holiday.

"CLOSING" shall mean the closing of the transactions contemplated by this Agreement.

"CLOSING DATE" shall mean the date when title to the Property is conveyed to Purchaser in accordance with the terms and conditions of this Agreement.

"CONTRACT PERIOD" shall mean the period commencing on the date of this Agreement and ending on the Closing Date.

"DATA ROOM" shall mean the "data room" in the offices of Insignia/ESG, Inc. at 2730 East Camelback Road, Suite 200, Phoenix, Arizona or at such other location as the materials located therein relating to the Property may be located subsequent to the date of this Agreement.

"DEPOSIT" shall mean the deposit described in Section 3.03 hereof, together with all interest earned thereon.

"EARNEST MONEY" shall mean the \$500,000.00 deposit described in Section 3.02 hereof, together with all interest earned thereon.

"ENVIRONMENTAL LAWS" shall mean all foreign, federal, state and local laws, regulations, rules and ordinances relating to pollution or protection of the environment, including, without limitation, laws relating to releases or threatened releases of hazardous substances, oils, pollutants or contaminants into the indoor or outdoor environment (including, without limitation, ambient air, surface water, groundwater, land, surface and subsurface strata) or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, release, transport or handling of hazardous substances, oils, pollutants or contaminants expressly intending to include without limitation asbestos.

"ESCROW AGENT" shall mean Commonwealth Land Title Insurance Company.

"EXISTING MORTGAGE" shall have the meaning set forth in Section 6.01 hereof.

"LEASES" shall mean the Leases listed on Schedule 2 hereto.

"LIENS CAUSED BY SELLER" shall have the meaning set forth in Section 6.01 hereof.

"LOSS" or "LOSSES" shall mean actual damage, loss, cost or expense (including reasonable costs of investigation incurred in defending against and/or settling such damage, loss, cost or expense or claim therefor and any amounts paid in settlement thereof) imposed on, or incurred by Seller.

"NON-CASH SECURITY DEPOSITS" shall have the meaning set forth in Section 11.01(f) hereof.

"PERMITS AND LICENSES" shall have the meaning set forth in Section 1.01 hereof.

"PERMITTED ENCUMBRANCES" shall mean those restrictions, covenants, agreements, easements and other matters and things of record set forth on Schedule 7 attached hereto.

"PERSON" shall mean any individual, partnership, limited liability company, corporation, trust, governmental entity or any other type of entity.

"PERSONAL PROPERTY" shall have the meaning set forth in Section 1.01 hereof.

"PROPERTY" shall have the meaning set forth in Section 1.01 hereof.

"REAL ESTATE TAXES" shall mean real estate taxes and any general or special assessments imposed upon the Real Property, including but not limited to any general or special assessments of any governmental or municipal authority or tax district, including, without limitation, any assessments levied for public benefits to the Real Property.

"RENTS" shall mean, collectively, all minimum rent and additional rent (including all escalations and tax and expense pass-throughs) payable by the Tenants under the Leases.

"REVIEW PERIOD" shall have the meaning set forth in Section 4.01 of this Agreement.

"SECURITY DEPOSITS" shall have the meaning set forth in Section 1.01 hereof.

"SERVICE CONTRACTS" shall have the meaning set forth in Section 1.01 hereof.

"TAX YEAR" shall have the meaning set forth in Section 7.01(a) hereof.

"TENANTS" shall mean all of the tenants of the Improvements.

"TITLE INSURER" shall mean Commonwealth Land Title Insurance Company or any other title company acceptable to Purchaser and the Seller and licensed in the State of Arizona.

SECTION 3: TRANSFER OF PROPERTY; PURCHASE PRICE

Section 3.01. The Seller agrees to sell to Purchaser, and Purchaser agrees to purchase from the Seller, subject to and in accordance with the terms, provisions, covenants and conditions set forth in this Agreement, the Property for a purchase price of FORTY-TWO MILLION THREE HUNDRED THOUSAND (\$42,300,000.00) DOLLARS (the "PURCHASE PRICE").

Section 3.02. Purchaser has deposited the sum of FIVE HUNDRED THOUSAND (\$500,000.00) DOLLARS (the "EARNEST MONEY"), with the Escrow Agent pursuant to Section 26 hereof. The Earnest Money shall be refunded to Purchaser if Purchaser terminates this Agreement in accordance with Section 4 below on or before June 30, 1999. If Purchaser does not terminate this Agreement on or before June 30, 1999 (time being of the essence), the Earnest Money shall automatically become non-refundable, except as expressly set forth herein to the contrary.

Section 3.03. On or before 5:00 p.m. EDT on June 30, 1999 (time being of the essence), if Purchaser does not elect to terminate this Agreement in accordance with Section 4 below, Purchaser shall deliver to Escrow Agent a non-refundable (except in those circumstances in which a refund is expressly provided for herein) additional deposit of ONE MILLION FIVE HUNDRED THOUSAND (\$1,500,000.00) DOLLARS (the "ADDITIONAL DEPOSIT"; the Earnest Money and the Additional Deposit being hereinafter sometimes collectively referred to as the "DEPOSIT"; the date on which the Additional Deposit is delivered to Escrow Agent and the Earnest Money becomes non-refundable (except in those circumstances in which a refund is expressly provided for herein) being hereinafter referred to as the "BINDING DATE"). If the Additional Deposit is not delivered to Escrow Agent on or before June 30, 1999 (time being of the essence), Seller may thereafter (i) actively market the Property and solicit prospective purchasers therefor, (ii) commence and continue negotiations with prospective purchasers and/or (iii) terminate this Agreement effective immediately upon written notice to Purchaser and, upon the return of the Earnest Money to Purchaser, this Agreement shall be of no further force and effect, except for those provisions expressly intended to survive the termination of this Agreement.

Section 3.04. Before 5:00 p.m. EDT on the Closing Date, Purchaser shall deliver to Escrow Agent the balance of the Purchase Price, subject to adjustment in accordance with this Agreement, by wire transfer.

SECTION 4: DUE DILIGENCE; "AS IS" SALE

Section 4.01. Purchaser shall have from the date of this Agreement through June 30, 1999 (the "REVIEW Period") to determine in its sole discretion whether all matters relating to the Property are acceptable. If Purchaser shall conclude that any matter relating to the Property is not acceptable and Purchaser does not desire to proceed with its acquisition of the Property, then Purchaser's sole right shall be to terminate this Agreement by written notice to the Seller on or before June 30, 1999 (time being of the

essence), whereupon, Escrow Agent shall deliver the Earnest Money to Purchaser and this Agreement shall terminate and be of no further force or effect. In the event of such termination, Purchaser shall deliver copies of all surveys and environmental reports which it obtained during the Review Period to the Seller. If Purchaser does not terminate this Agreement prior to the expiration of the Review Period, Purchaser shall be required to deliver the Additional Deposit to Escrow Agent in accordance with Section 3.03 of this Agreement and Purchaser shall no longer be entitled to terminate this Agreement under this Section 4.01.

Section 4.02. Seller has delivered to Purchaser the most current survey of the Property, the most recent title insurance policy or commitment for the Property and the most recent environmental report relating to the Property. During the Review Period, Purchaser and its authorized agents, employees and other representatives, upon prior reasonable notice to the Seller, shall have reasonable access to the Property for the purpose of inspecting the Property and the Seller shall have the right to be present during such inspections. In connection therewith, Purchaser may cause one or more surveyors, attorneys, engineer, auditors, architects and other experts of its choice and at Purchaser's expense to (i) inspect the Property and any documents related to the Property, including, without limitation, all title and survey information, as-built plans and specifications, soil and environmental reports, the site plan, zoning approvals, building permits, Leases, Service Contracts, books, financial and accounting records and other agreements, and (ii) appraise and otherwise do that which, in the opinion of Purchaser, is necessary to determine the condition and value of the Property for the uses intended by Purchaser. Seller shall use reasonable efforts to arrange the availability to Purchaser during the due diligence period of all Leases, operating statements, Service Contracts and the most recent tax and utility bills relating to the Property. Purchaser agrees that it shall not contact any Tenant or occupant of the Property prior to the Closing without Seller's prior approval, which approval may be granted or withheld in Seller's sole and absolute discretion. All information obtained, received and/or reviewed by Purchaser during the Review Period shall be kept strictly confidential in accordance with Section 27 of this Agreement. Purchaser shall not interfere in any material respect with the use or operation of the Property during such inspections. Purchaser shall indemnify, defend and hold harmless the Seller from and against any and all loss, costs, liability, damage and expenses, including, but not limited to, penalties, fines, court costs, disbursements and attorney's fees directly incurred in connection with or directly arising from injuries to persons or damage to property caused by Purchaser, its agents, employees, representatives or independent contractors while on the Property and Purchaser shall deliver to Seller evidence of commercial general liability insurance maintained by Purchaser insuring Purchaser's indemnity under this Section at such time as Purchaser requests access to the Property in accordance with this Section 4.02. The provisions of this Section shall be binding upon Purchaser regardless of whether or not the transactions contemplated hereby are consummated and shall survive for a one-year period following the termination of this Agreement or the Closing.

SECTION 5: MATTERS TO WHICH THE SALE IS SUBJECT

Section 5.01. The Seller shall assign and convey or cause to be assigned and conveyed to Purchaser good and valid insurable fee title to the Property free and clear of any and all mortgages, liens, leases, encumbrances and easements, except:

(a) All taxes, water meter and water charges and sewer rents, accrued or unaccrued, fixed or not fixed, becoming due and payable after the Closing Date;

(b) All zoning laws and building ordinances, resolutions, regulations and orders (other than violation orders) of all boards, bureaus, commissions and bodies of any municipal, county, state or federal government; and

(c) The Permitted Encumbrances.

SECTION 6: OUTSTANDING INTEREST OR UNMARKETABLE TITLE

Section 6.01. Purchaser shall retain the Title Insurer and at the Closing the Title Insurer shall issue to Purchaser a fee title policy insuring title to the Property subject only to the Permitted Encumbrances. The Seller agrees to discharge, at its sole expense (i) that certain Deed of Trust, Assignment of Rents, Security Agreement and Financing Statement, dated as of December 13, 1995, from Seller to Minnesota Mutual Life Insurance Company (the "EXISTING MORTGAGE") and (ii) any liens or encumbrances placed of record subsequent to May 24, 1999 by, at the direction of, or with the consent of, Metropolitan Operating Partnership, L.P. (hereinafter collectively referred to as "LIENS CAUSED BY SELLER").

Section 6.02. If at the Closing it should appear that the Property is affected by any outstanding interest or question of title which Purchaser is not obliged to take the Property subject to in accordance with the terms of this Agreement, and if such interest or question of title may, according to Seller's reasonable expectations, be removed as an objection to title within one (1) month from the scheduled Closing Date, the Seller may adjourn the

Closing Date for a period not exceeding one (1) month for such purpose. If the Property shall be affected by any lien or encumbrance which is not a Permitted Encumbrance or a Lien Caused By Seller and which may be discharged by the payment of an ascertainable amount of money, and if Seller desires to discharge such lien or encumbrance (it being agreed that this Section 6.02 shall not be construed to require Seller to expend any funds to remove of record any lien or encumbrance which affects the Property at Closing other than the Existing Mortgage and any Liens Caused By Seller), then Seller shall be entitled to a reasonable adjournment not to exceed two (2) weeks to accomplish the discharge thereof; further, subject to the reasonable approval of Purchaser and the Title Insurer, the Seller shall have the right, but not the obligation, to bond or escrow for such lien or encumbrance if such lien or encumbrance is not readily dischargeable. If after any applicable adjournment, the Seller shall be unwilling (with respect to a lien or encumbrance which may only be discharged by the payment of money) or unable to convey the Property in accordance with the provisions of this Agreement, Purchaser shall have the right to waive the defect in title and accept such title as the Seller can convey without a reduction in the Purchase Price or terminate this Agreement by written notice to the Seller whereupon the Deposit shall be immediately returned to Purchaser and the parties shall have no further rights or obligations hereunder, except, that the Seller shall reimburse Purchaser for its out-of-pocket due diligence costs.

SECTION 7: ADJUSTMENTS

Section 7.01. All items of income and expense relating to the Property, including the following, shall be apportioned between the parties as of 11:59 p.m. on the day immediately preceding the Closing Date so that the Seller shall be charged with and have the benefit of such items paid through the day immediately preceding the Closing Date, and Purchaser shall be charged with or have the benefit of such items from and after the Closing Date:

(a) Rents. All Rent collected by Seller or Purchaser for the calendar month in which the Closing occurs shall be prorated as of the Closing with an appropriate credit to the Purchaser for rents collected prior to Closing. Attached hereto as Schedule 8 is a list of all delinquent Rents as of May 31, 1999 of which the Seller has Actual Knowledge. Seller shall use reasonable efforts to provide Purchaser by June 28, 1999 with an updated delinquent rent schedule as of the most recent date then available in the ordinary course of Seller's business from Seller's billing system. In addition to Rents prorated at Closing pursuant to this Section 7.01, Rents received by Purchaser after the Closing shall be applied in the following order of priority: (i) first pro-rata between Purchaser and Seller for the calendar month in which the Closing occurs; (ii) then to the Seller for the calendar month immediately preceding the calendar month in which the Closing occurs; (iii) then to the Purchaser, to the extent necessary for the Purchaser to remain current from time to time with respect to Rents for months subsequent to the month of Closing as and when they become due and payable; and (iv) then to the Seller for any unpaid Rents attributable to periods prior to the calendar month which immediately precedes the calendar month in which the Closing occurs. The maximum amount of Rents that may be recovered by Seller pursuant to items (ii) and (iv) of this Section 7.01a shall be \$150,000. If, as and when Purchaser shall bill a tenant for any period which includes a period prior to Closing (including but not limited to operating expense and tax true-ups and operating expense and tax pass-throughs and escalations billed less often than monthly), Purchaser shall furnish Seller a copy of such invoice, including all enclosures sent therewith. Amounts collected by Purchaser from a tenant for any period which includes a period prior to Closing ("Non-Monthly Collections") shall belong to Seller to the extent applicable to a period prior to Closing. The foregoing in this subsection (a) to the contrary notwithstanding: (x) prorations and payments under this Section 7.01 shall be made on a tenant-by-tenant basis; (y) payments made by a tenant designated by the tenant as applicable to a certain period or premises shall be deemed irrefutably to apply to the designated period and/or premises notwithstanding the status of such tenant's account otherwise, and (z) amounts designated by a tenant in the manner contemplated by clause (y) immediately preceding shall not be subject to the \$150,000 cap provided for above. This provision shall survive the passage of title.

(b) Real Estate Taxes, sewer and vault rents, charges and license fees, and water meter and frontage charges. If the Closing Date shall occur before the Real Estate tax rate is fixed, the apportionment of Real Estate Taxes at the Closing shall be upon the basis of the old Real Estate Tax rate for the preceding period applied to the latest assessed valuation. Promptly after the new Real Estate Tax rate is fixed for the calendar year in which the Closing takes place, the apportionment of Real Estate Taxes shall be recomputed. Any discrepancy resulting from such recomputation shall be promptly paid to the other party, which obligation shall survive the Closing for a period of one (1) year.

(c) charges payable under Service Contracts on the basis of the period covered by such payments. If, after the Closing, an error or omission in the calculation of the apportionments set forth above is found by one of the parties, such error or omission shall be promptly corrected and the party receiving the over-payment shall pay the amount of the over-payment to the party entitled thereto. The foregoing obligation to correct apportionments

shall survive the Closing for a period of one-hundred and eighty (180) days.

SECTION 8: CASUALTY

Section 8.01. (a) If, subsequent to the Binding Date, all or a "MATERIAL PART" (as defined below) of any of the Improvements shall be damaged or destroyed by fire or other casualty, then, in any such event, Purchaser may, at its option, either (i) cancel this Agreement, whereupon subject Section 26, the Deposit shall be returned to Purchaser and the parties hereto shall be released of all obligations and liabilities of whatsoever nature in connection with this Agreement, or (ii) proceed to close the transactions contemplated by this Agreement, in which event all of the provisions of subsection 8.01(b)(i) and subsection 8.01(b)(ii) below shall apply.

(b) If, subsequent to the Binding Date, less than a material part of an Improvement shall be destroyed or damaged by fire or other casualty Purchaser shall nevertheless close title to all of the Property pursuant to all the terms and conditions of this Agreement, subject to the following: (i) Seller shall not (x) adjust and settle any insurance claims, or (y) enter into any construction or other contract for the repair or restoration of the damaged Property without Purchaser's prior written consent, which consent shall not be unreasonably withheld or delayed, and (ii) at the Closing, the Seller shall (1) pay over to Purchaser the amount of any insurance proceeds, to the extent collected by Seller in connection with such casualty, less the amount of the actual expenses incurred by Seller in connection with collecting such proceeds and making any repairs to the Property occasioned by such casualty pursuant to any contract, (2) assign to Purchaser all of Seller's right, title and interest in and to any insurance proceeds that are uncollected at the time of the Closing and that may be paid in respect of such casualty, and (3) pay to Purchaser the amount of any policy deductibles pursuant to the insurance policies covering such fire or other casualty and maintained by Seller (as opposed to insurance or self-insurance maintained by Tenants of the Property). The Seller shall reasonably cooperate with Purchaser in the collection of such proceeds, which obligation shall survive the Closing.

(c) For the purpose of this Section, the phrase a "MATERIAL PART" of an Improvement shall mean that (i) the cost of repair or restoration is estimated by a reputable licensed engineer selected by the Seller and reasonably satisfactory to Purchaser, to be in excess of Two Million Five Hundred Thousand and 00/100 Dollars (\$2,500,000.00), (ii) the period of time required to complete repair or restoration is estimated by a reputable licensed engineer selected by the Seller and reasonably satisfactory to Purchaser to be in excess of three (3) months from the date on which such repair or restoration is commenced or (iii) any Tenant or Tenants leasing in the aggregate over 45,000 square feet of office space shall have the right to cancel one or more Lease(s) as a result of such casualty.

SECTION 9: CONDEMNATION PENDING CLOSING

Section 9.01. If, subsequent to the Binding Date, condemnation or eminent domain proceedings shall be commenced by any competent public authority against the Real Property or any part thereof, the Seller shall promptly give Purchaser written notice thereof. After notice of the commencement of any such proceedings (from the Seller or otherwise) and in the event that the taking, subsequent to the Binding Date, of such property is "Material" (as hereinafter defined), Purchaser shall have the right (i) to accept title to the Property subject to the proceedings, and pay to the Seller the full Purchase Price, whereupon any award payable to the Seller shall be paid to Purchaser and the Seller shall deliver to Purchaser at the Closing all assignments and other documents reasonably requested by Purchaser to vest such award in Purchaser, or (ii) to rescind this Agreement and upon the return of the Deposit, this Agreement shall be null and void and neither party will have any further obligations hereunder. A taking shall be deemed to be Material if said taking would either (i) materially interfere with the use and operation of the Property for the contemplated use thereof, or (ii) reduce the estimated value of the Property (as reasonably determined by an independent M.A.I. appraiser chosen by Purchaser and reasonably satisfactory to the Seller) by \$500,000.00 or more or (iii) create a right of any Tenant or Tenants leasing in the aggregate over 25,000 square feet of space to cancel one or more Lease(s) as a result of such condemnation.

Section 9.02. In the event of a non-Material taking of any part of the Real Property on or before the Closing Date, Purchaser shall accept the Real Property subject to the proceedings and pay to the Seller the full Purchase Price, whereupon any award payable to Seller shall be delivered to Purchaser and Seller shall deliver to Purchaser at the Closing all assignments and other documents reasonably requested by Purchaser to vest such award in Purchaser.

SECTION 10: THE SELLER'S WARRANTIES AND REPRESENTATIONS

To induce Purchaser to enter into this Agreement and to accept the Property from the Seller, the Seller makes the following representations and warranties, all of which the Seller represents are true in all material respects as of the date hereof and shall be true in all material respects as

of the Closing Date and shall be deemed remade as of that date:

Section 10.01. (a) Seller is and at the Closing shall be a limited partnership duly organized and validly existing and in good standing under the laws of the State of Delaware with full power and authority to sell the Property and to take all actions required by this Agreement.

(b) The execution, delivery and performance of this Agreement and consummation of the transaction hereby contemplated in accordance with the terms of this Agreement will not violate the partnership agreement or any material contract, agreement, commitment, order, judgment or decree to which Seller is a party or by which it is bound, and Seller has obtained (or will, by the Closing, have obtained) all consents necessary (whether from a governmental authority or other third party) in order for it to consummate the transactions contemplated hereby.

(c) The party or parties executing this Agreement on behalf of Seller have been duly authorized and are empowered to bind Seller to this Agreement and to take all actions required by this Agreement.

(d) Upon execution, this Agreement shall be the binding obligation of Seller, enforceable against Seller in accordance with the terms hereof.

Section 10.02. (a) Prior to the date of this Agreement, Seller has delivered to Purchaser any environmental studies relating to the Real Property of which Seller has Actual Knowledge.

(b) To Seller's knowledge there is no civil, criminal or administrative action, suit, demand, claim, hearing, notice of violation, investigation or proceeding, pending relating to Seller or any portion of the Property or, to the Actual Knowledge of each Seller, threatened against any Seller or any portion of the Property relating in any way to the Environmental Laws or any regulation, code, plan, order, decree, judgment, injunction, notice or demand letter issued, entered, promulgated or approved thereunder.

Section 10.03. Except as set forth on Schedule 6 attached hereto, to Seller's Actual Knowledge there are no existing or pending litigation, claims, condemnations or sales in lieu thereof with respect to any aspect of the Property nor, to the Actual Knowledge of Seller, have any actions, suits, condemnations, proceedings or claims been threatened or asserted. No attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings are pending or threatened against the Seller. In the event any proceeding of the character described in this Section is initiated or threatened against the Seller prior to the Closing Date, the Seller shall promptly advise Purchaser thereof in writing.

Section 10.04. Attached hereto as Schedule 2 is a list of all Leases with respect to the Property which was delivered to Purchaser by Insignia/ESG, Inc.; Seller has no Actual Knowledge of any Leases other than those set forth on Schedule 2. Section 10.05. Attached hereto as Schedule 3 is a list of all Security Deposits with respect to the Property of which Seller has Actual Knowledge as of the date of this Agreement. Section 10.06. Seller is not a "foreign person" as defined in Section 1445 of the Internal Revenue Code of 1986, as amended, and the income tax regulations thereunder. Section 10.07. There is no action, suit or proceeding pending or, to Seller's Actual Knowledge, threatened against the Seller and or relating to or arising out of the ownership, management or operation of the Property, in any court or before any federal, state or municipal department, commission, board, bureau or other governmental instrumentality. Section 10.08. Attached hereto as Schedule 5 is a list of all Brokerage Agreements of which Seller has Actual Knowledge. Section 10.09. To the Actual Knowledge Seller, there are no Service Contracts that relate to services provided to the Property that are not terminable on notice of thirty (30) days or less and, subsequent to May 24, 1999, no Service Contracts have been amended or modified nor have any new Service Contracts been entered into. All representations, warranties and covenants of the Seller contained in this Agreement or in any affidavit or other document delivered in connection herewith shall be true and correct in all material respects at Closing and shall survive the Closing for a period of six (6) months.

If (x) any of the representations and warranties set forth above prove to have been false or inaccurate when made and is asserted in a writing delivered by Purchaser to the Seller during the applicable survival period, and (y) Purchaser incurs a Loss as a result of such falsity, then Purchaser shall be entitled to recover such Loss through all remedies available at law or in equity. It is specifically acknowledged that, if the Closing occurs, the Seller shall have no liability with respect to any misrepresentations which were actually known by Purchaser to be false or inaccurate at Closing, notwithstanding that such falsity or inaccuracy may have caused a Loss.

SECTION 11: THE SELLER'S INSTRUMENTS AT CLOSING

Section 11.01. The Seller shall execute, or where applicable, cause the following to be delivered to Purchaser on the Closing Date:

(a) A special warranty deed in the form of Exhibit B hereto; and

(b) assignments or other instruments in recordable form transferring and assigning to Purchaser each Seller's interest in the Property (other than the Real Estate) in the form of Exhibit C hereto; and

(c) a certificate from the Seller stating that all representations and warranties made by the Seller in this Agreement are true in all material respects as of the Closing Date as if made on such date; and

(d) duly executed real estate transfer tax forms, if any, for the Real Property. The Seller shall at Closing pay all real estate transfer and conveyance and sales taxes payable to the appropriate state and/or local governmental and/or municipal authorities, and

(e) a duly executed affidavit as may be required pursuant to Section 1445 of the Internal Revenue Code in the form of Exhibit D hereto; and

(f) all Security Deposits, together with all accrued interest thereon actually held by Seller at Closing by any of the following methods (at Seller's sole discretion): (i) payment of the amount of the Security Deposits to Purchaser, (ii) assignment to Purchaser of the account(s) in which the Security Deposits are maintained or (iii) by a credit to Purchaser against the Purchase Price; and with respect to any Security Deposits which are other than cash or that are in the form of a letter of credit (collectively, the "NON-CASH SECURITY DEPOSITS"), by way of appropriate instruments of transfer or assignment of such Non-Cash Security Deposits which are required to transfer such Non-Cash Security Deposits to Purchaser as the new beneficiary thereunder, provided, however, that if Seller lacks sufficient information, or is otherwise unable, at Closing, to make the deliveries hereunder, Seller shall make such deliveries as promptly after Closing as practicable, but in no event later than the date that is one (1) month after the Closing Date. Seller shall reasonably cooperate with Purchaser to prevent the expiration of any Non-Cash Security Deposits prior to the transfer of the same to Purchaser and to facilitate the recognition by the issuer of such instrument of Purchaser as the beneficiary of any letter of credit or other form of Non-Cash Security Deposits; and

(g) all documents and instruments in the Data Room which relate to the Property; and

(h) such documents and due diligence materials as Seller is able to obtain using reasonable efforts after request therefor by Purchaser; and

(i) such other documents, instruments, resolutions and other material reasonably requested by Purchaser as may be necessary to effect the transfer of title hereunder or as may be reasonably requested by the Title Insurer.

SECTION 12: PURCHASER'S REPRESENTATIONS AND WARRANTIES

Section 12.01. To induce the Seller to enter into this Agreement, Purchaser makes the following representations and warranties, all of which Purchaser represents are true in all material respects as of the date hereof and shall be true in all material respects as of the Closing Date and shall be deemed to be made as of that date.

(a) Purchaser is and at the Closing shall be a limited liability company duly organized and validly existing and in good standing under the laws of the State of Delaware with full power and authority to own and purchase the Property and to take all actions required by this Agreement.

(b) The execution, delivery and performance of this Agreement and consummation of the transaction hereby contemplated in accordance with the terms of this Agreement will not violate the operating agreement or any material contract, agreement, commitment, order, judgment or decree to which Purchaser is a party or by which it is bound, and Purchaser has obtained (or will, by the Closing, have obtained) all consents necessary (whether from a governmental authority or other third party) in order for it to consummate the transactions contemplated hereby.

(c) The party or parties executing this Agreement on behalf of Purchaser have been duly authorized and are empowered to bind Purchaser to this Agreement and to take all actions required by this Agreement.

(d) Upon execution, this Agreement shall be the binding obligation of Purchaser, enforceable against Purchaser in accordance with the terms hereof.

(e) No action, suit or proceeding is pending or, to Purchaser's knowledge, threatened against Purchaser which would materially adversely affect Purchaser's or financial condition or its ability to fully perform its obligations pursuant to this Agreement.

(f) The execution and delivery of this Agreement and the performance by Purchaser of its obligations hereunder do not and will not conflict with or violate any law, rule, judgment, regulation, order, writ, injunction or decree of any court or governmental or quasi-governmental entity with jurisdiction

over Purchaser, including, without limitation, the United States of America, the State of New York or any political subdivision of any of the foregoing, or any decision or ruling of any arbitrator to which Purchaser is a party or by which Purchaser is bound or affected and no consent of any governmental agency is required.

All representations, warranties and covenants of Purchaser contained in this Agreement or in any affidavit or other document delivered in connection herewith shall be true and correct in all material respects at Closing and shall survive the Closing for a period of six months.

If (x) any of the representations and warranties set forth above prove to have been false when made and such falsity is asserted in writing delivered by the Seller to Purchaser during the applicable survival period, and (y) the Seller incurs a Loss as a result of such falsity, then the Seller shall be entitled to recover such Loss through all remedies available at law or in equity. It is specifically acknowledged that, if the Closing occurs, Purchaser shall have no liability with respect to misrepresentations which were actually known by the Seller at Closing.

SECTION 13: PURCHASER'S INSTRUMENTS AT CLOSING

Section 13.01. On the Closing Date, Purchaser shall cause the Escrow Agent to deliver the Purchase Price to the Seller. Additionally, on the Closing Date, Purchaser shall execute and deliver to the Seller the following:

(a) the Assignment and Assumption Agreement in the form of Exhibit C attached hereto; provided, however, that the inclusion of any Service Contract on Schedule 4 hereto shall not be construed to mean that Purchaser agrees to assume such Service Contract at Closing; and

(b) such other documents, instruments, resolutions and other material necessary to effect the transfer of title hereunder and reasonably requested by the Seller or the Title Insurer.

SECTION 14: CONTRACT PERIOD

Section 14.01. Throughout the Contract Period, the Seller shall continue to operate the Property in accordance with prudent management standards. The Seller shall maintain replacement cost casualty insurance throughout the Contract Period. During the Review Period, the Seller may enter into new lease agreements or amendments (or renewals) to any existing Lease without the written consent of Purchaser, provided that Seller shall use reasonable efforts to keep Purchaser informed with respect to leasing activity of a material nature in respect of or affecting the Property. Subsequent to the Binding Date all leases or amendments to leases, and all other actions which have a material effect upon the Property or its operation, shall be subject to Purchaser's approval, which may be given in its sole and absolute discretion.

Section 14.02. Subsequent to June 30, 1999, the Seller shall not, without the written consent of Purchaser enter into any agreements relating to the ownership and operation of the Property unless such contract(s) shall be fully cancelable or terminable prior to the Closing Date.

SECTION 15: BROKERAGE

Section 15.01. Purchaser and the Seller represent and warrant to each other that no broker or person was in any way instrumental or had any part in bringing about this transaction except Insignia/ESG, Inc., whose fees the Seller shall pay. Purchaser agrees that, should any claim be made for commissions by any broker or person arising by, through or on account of any act of Purchaser or Purchaser's representatives, Purchaser shall indemnify and hold the Seller harmless from and against any and all claim, liability, cost or expense (including reasonable attorneys' fees) in connection therewith. The Seller agrees that should any claim be made for commissions by any broker or person arising by, through or on account of any act of any Seller or such Seller's representatives, Seller shall indemnify and hold Purchaser harmless from and against any and all claim, liability, cost or expense (including reasonable attorneys' fees) in connection therewith. The provisions of this paragraph shall survive delivery of the deed, but the provisions hereof shall not be deemed or construed as a covenant for the benefit of any third party.

SECTION 16: CONDITIONS PRECEDENT TO CLOSING

Section 16.01. (a) Purchaser's obligations to close title under this Agreement on the Closing Date shall be subject to the satisfaction of the following conditions precedent on or prior to the Closing Date:

(i) all of the Seller's representations and warranties made in this Agreement shall be true and correct in all material respects as of the Closing Date as if they were made on that date;

(ii) the Seller shall have performed all material obligations and agreements undertaken by it herein to be performed at or prior to the Closing Date; and (iii) the Title Insurer shall be ready, willing

and able to issue to Purchaser a fee title insurance policy insuring fee title to the Property subject only to the Permitted Encumbrances.

(b) The Seller's obligations to close title under this Agreement on the Closing Date shall be subject to the satisfaction of the following conditions precedent on the Closing Date:

(i) all of Purchaser's representations and warranties made in this Agreement shall be true and correct in all material respects as of the Closing Date as if they were made on that date; and

(ii) Purchaser shall have performed all material obligations and agreements undertaken by it herein to be performed at or prior to the Closing Date.

SECTION 17: CLOSING

Section 17.01. The closing of title to the Property (the "CLOSING") shall take place at the offices of an affiliate of Commonwealth at 3:00 p.m. EDT on or before July 21, 1999 (time being of the essence).

SECTION 18: EXPENSES:

Section 18.01. Each party will bear its own legal expenses in connection with this transaction. Seller shall pay any deed recording fees and the cost of the standard title insurance policy. Purchaser shall pay the cost of any extended title insurance policy, the incidental fees and disbursements of the title company and all other costs and expenses of preparing for and concluding this transaction, including the cost of surveys, engineering reports, environmental reports, legal use opinions and the like. Fees or expenses, if any, relating to the Existing Mortgage shall be paid by Seller.

SECTION 19: NOTICES

Section 19.01. All notices, requests and demands to be made hereunder to the parties hereto shall be in writing (at the addresses set forth below) and shall be given by any of the following means: (a) personal delivery (including, without limitation, overnight delivery, courier or messenger services); (b) telecopying (if electronically confirmed in writing,) or (c) registered or certified, first-class United States mail, postage prepaid, return receipt requested. Notice by a party's counsel shall be deemed to be notice by such party. All notices to the Seller shall be sent to the address set forth below. Such addresses may be changed by notice to the other parties given in the same manner as provided above. Any notice, demand or request sent (x) pursuant to subsection (a) shall be deemed received upon such personal delivery, (y) pursuant to subsection (b) shall be deemed received on the day it is dispatched by telecopier and (z) pursuant to subsection (c) shall be deemed received upon delivery or the date on which delivery was refused.

If to Purchaser:

Transwestern Investment Company, L.L.C.
150 N. Wacker Drive, Suite 800
Chicago, Illinois 60606
Attention: Edward Ryder
Telecopy: 312-499-1901

With copies to:

Hopkins & Sutter
Three First National Plaza
Chicago, Illinois 60602
Attention: Thomas Buranosky, Esq.
Telecopy: 312-558-4243

To Seller:

c/o Metropolitan Partners, LLC
225 Broadhollow Road
Melville, NY 11747-0983
Attention: Jason Barnett, Esq.
Telecopy: (516) 622-6616

With copies to:

c/o Metropolitan Partners, LLC
10 East 50th Street, 27th Floor
New York, New York 10022
Attention: Diane Conniff, Esq.
Telecopy: (212) 715-6535

With copies to:

Brown & Wood LLP
One World Trade Center
New York, NY 10048-0557
Attention: William H. Boericke, Esq.
Telecopy: (212) 839-5599

SECTION 20: DEFAULT

Section 20.01. Purchaser's Default. If Purchaser shall be in default of any obligations imposed upon Purchaser by this Agreement, then the Seller shall have the right to treat this Agreement as having been breached by

Purchaser and the Seller's sole remedy on account of such breach shall be the right to terminate this Agreement by written notice to Purchaser or Purchaser's attorney. Upon such termination (a) Purchaser shall forfeit all rights and claims with respect to the Property pursuant to this Agreement and to the Deposit; and (b) Escrow Agent shall remit the Deposit to the Seller. Notwithstanding the foregoing, except with respect to a default by Purchaser (x) on account of its failure to Close as required by Section 17 of this Agreement (it shall not be a default under Section 17 if Purchaser is prepared to Close on the scheduled Closing Date but the Purchase Price is funded on the following day due to technical problems) or (y) under Section 27 of this Agreement (for which defaults no grace period shall be permitted), Seller shall not deliver to Purchaser a notice terminating this Agreement on account of Purchaser's default hereunder prior to the fifth (5th) day after Seller has delivered to Purchaser notice of such default, and then only if such default remains uncured on such fifth (5th) day after delivery of the default notice. The Seller and Purchaser hereby agree that payment of the Deposit to the Seller shall be deemed to be fair and adequate, but not excessive, liquidated damages based upon the following considerations which the Seller and Purchaser agree would constitute damages to the Seller for any default by Purchaser but which are impossible to quantify, to wit: (i) the removal of the Property from the real estate market together with the uncertainty of obtaining a new purchaser at the same or greater purchase price; (ii) the expenses incurred by the Seller, including (but not by way of limitation) attorneys' fees, taxes, mortgage interest, and other items incidental to the maintenance of the Property until it is eventually sold; and (iii) all other expenses incurred by the Seller as a result of Purchaser's default.

In the event of such termination, Purchaser shall immediately return its executed copy of this Agreement to the Seller for cancellation together with all due diligence material, reports and studies delivered to Purchaser by the Seller (without Purchaser retaining copies thereof).

Section 20.02. The Seller's Default. In the event the Seller is in default by reason of a material breach of the Seller's representations and warranties and the same cannot be cured within thirty (30) days without harm to Purchaser, Purchaser's sole remedy shall be to demand the immediate return of the Deposit and the cancellation of this Agreement. In the event the Seller is in default by reason of Seller's failure or refusal to deliver title or perform its other obligations in accordance with the terms of this Agreement for more than ten (10) calendar days after receipt of written notice thereof has been given to the Seller, Purchaser's remedies shall include the right to (a) immediate return of the Deposit and the cancellation of this Agreement, (b) an action to specifically enforce this Agreement or (c) an action for monetary damages in the event of a material breach of any of Seller's representations and warranties under this Agreement. Purchaser shall have no other rights or remedies against the Seller on account of a default. In the event that there is any dispute between Seller and Purchaser arising under or in connection with this Agreement or the transactions contemplated herein, the costs incurred by the prevailing party in connection with any resulting litigation shall be paid by the other party.

SECTION 21: ASSIGNMENT

Section 21.01. This Agreement and Purchaser's rights hereunder may not be assigned by Purchaser without the prior written consent of the Seller except that Purchaser may assign its rights hereunder to any subsidiary or affiliate for the purpose of taking title to the Property provided that the Purchaser named herein shall remain liable under this Agreement until the Closing occurs and Seller has received the Purchase Price in accordance with this Agreement. The Seller may not assign any or all of its rights hereunder without the consent of Purchaser.

SECTION 22: ESTOPPEL CERTIFICATES

Section 22.01. Seller shall use reasonable efforts to obtain, prior to the Binding Date, from each Tenant at the Property an estoppel certificate in the form attached hereto as Exhibit E, provided, however, that Seller shall not be required to incur any legal expenses in connection therewith (other than commercially reasonable legal fees incurred in connection with the preparation of the same) or any other expenses of a non-deminimis nature (it being agreed that the cost of postage stamps, facsimile transmissions, photocopies and follow-up telephone conversations are deminimis expenses) provided, further, that Purchaser shall reasonably assist Seller in its efforts to cause American Express to deliver an estoppel certificate. Subsequent to the Binding Date, Seller shall use reasonable efforts to follow-up with each Tenant at the Property that has not delivered an estoppel certificate but Seller shall not be obligated to incur any legal expenses or other expenses of a non-deminimis nature in connection therewith. Seller will use reasonable efforts to deliver to Purchaser copies of all written requests for estoppel certificates and any written responses received from Tenants in connection with such estoppel certificates. Seller shall have no liability to Purchaser on account of Seller's failure subsequent to the Binding Date to deliver to Purchaser any estoppel certificates or copies of correspondence relating thereto.

SECTION 23: COUNTERPARTS

Section 23.01. This Agreement may be executed in counterparts. The signatures of the parties who sign different counterparts of this Agreement or any of the instruments executed to effectuate the purposes of this Agreement shall have the same effect as if those parties had signed the same counterparts of this Agreement or of any such instrument.

SECTION 24: INTENTIONALLY DELETED

SECTION 25: MISCELLANEOUS

Section 25.01. Subject to Section 21 hereof, this Agreement shall be binding upon and shall inure to the benefit of the Seller and Purchaser and their respective successors and assigns.

Section 25.02. This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona. This Agreement shall be construed without regard to any presumption or other rule requiring construction against the party causing this Agreement to be drafted. If any words or phrases in this Agreement shall have been stricken out or otherwise eliminated, whether or not any other words or phrases have been added, this Agreement shall be construed as if the words or phrases so stricken out or otherwise eliminated were never included in this Agreement and no implication or inference shall be drawn from the fact that said words or phrases were so stricken out or otherwise eliminated. All terms and words used in this Agreement, regardless of the number or gender in which they are used, shall be deemed to include any other number and any other gender as the context may require.

Section 25.03. The headings of the several Sections contained in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Agreement or the intent of any provision thereof.

Section 25.04. The invalidity or unenforceability of any provision of this Agreement shall not affect or impair any other provision of this Agreement.

Section 25.05. This Agreement contains the entire agreement between the Seller and Purchaser, and any and all prior understandings and dealings heretofore had are merged herein and any agreement hereafter made shall be ineffective to change, modify or discharge this Agreement in whole or in part unless such agreement hereafter made is in writing and signed by the Seller and Purchaser.

Section 25.06. Purchaser shall have no right to record this Agreement or a memorandum hereof. If Purchaser shall so record this Agreement or a memorandum, Purchaser shall be in default of the terms and conditions of this Agreement.

Section 25.07. The Schedules to this Agreement and the representations made by Seller with respect thereto are attached for the sole benefit of Purchaser, any permitted successor to its interests hereunder or any lender to or investor in Purchaser. It is expressly intended that no third party shall be a beneficiary of or entitled to rely on the Schedules to this Agreement or Seller's representation with respect thereto.

SECTION 26: ESCROW AGENT

Section 26.01. The Seller and Purchaser hereby designate as "ESCROW AGENT" to receive and hold the Deposit delivered herewith by Purchaser in accordance with Section 3 hereof, and Escrow Agent agrees to act as such Escrow Agent subject to the provisions of this Section 26.

Section 26.02. The Deposit shall be deposited in an interest bearing money market account at any federally insured banking institution. From and after the date of a default by either party, all interest on the Deposit or the remaining portion thereof shall be paid to the non-defaulting party.

Section 26.03. On receipt by Escrow Agent of a statement executed by the Seller and Purchaser that title to the Property has closed under this Agreement, Escrow Agent shall promptly deliver such Deposit to Purchaser.

Section 26.04. On receipt by Escrow Agent of a statement executed by Purchaser prior to, on or after the Closing Date that title to the Property has not closed under this Agreement because of a default by any Seller under this Agreement or because of any Seller's inability to convey title to the Property in accordance with the provisions of this Agreement or because any contingency contained in this Agreement has not been satisfied or waived Escrow Agent shall within ten (10) Business Days, deliver a copy of said statement to the Seller and return such Deposit to Purchaser on the tenth (10th) Business Day after receipt by the Seller of said statement unless Escrow Agent, prior to such return, receives from the Seller a statement contesting the accuracy of Purchaser's statement and demanding retention of

said Deposit by Escrow Agent.

Section 26.05. On receipt by Escrow Agent of a statement executed by the Seller prior to, on or after the Closing Date that title to the Property has not closed under this Agreement because of a default by Purchaser under this Agreement, Escrow Agent shall within ten (10) Business Days deliver said statement to Purchaser and deliver such Deposit to the Seller on the tenth (10th) Business Day after receipt by Purchaser of such statement unless Escrow Agent, prior to such delivery, receives from Purchaser a statement contesting the accuracy of the Seller's statement and demanding retention of said Deposit by Escrow Agent.

Section 26.06. On receipt by Escrow Agent of a statement from the Seller or Purchaser, as the case may be, under subparagraph 26.04 or 26.05 above, Escrow Agent shall retain the Deposit and thereafter deliver the same to either the Seller or Purchaser as the Seller or Purchaser may direct by a statement executed by them both, provided if there is any dispute with respect to the Deposit Escrow Agent may immediately and with notice to the Seller and Purchaser, surrender said Deposit to a court of competent jurisdiction for such disposition as may be directed by such court.

Section 26.07. Upon delivery of the Deposit to either Seller, Purchaser or a court of competent jurisdiction under and pursuant to the provisions of this Section, Escrow Agent shall be relieved of all liability, responsibility or obligation with respect to or arising out of the Deposit and any and all of its obligations arising therefrom.

Section 26.08. The Escrow Agent shall not be liable for any error of judgment or for any act done or omitted by it in good faith or for anything which it may in good faith do or refrain from doing in connection herewith or for any negligence other than its gross negligence, nor shall the Escrow Agent be answerable for the default or misconduct of its agents, attorneys or employees if they be selected with reasonable care. The Escrow Agent is authorized to act upon any document believed by it to be genuine and to be signed by the proper party or parties and will incur no liability in so acting.

Section 26.09. Seller and Purchaser acknowledge that Escrow Agent is acting solely as a stakeholder. Seller and Purchaser shall jointly and severally indemnify and hold the Escrow Agent harmless from and against any cost, expenses, claims or liabilities arising in connection with its performance hereunder as Escrow Agent, except to the extent caused by Escrow Agent's gross negligence and willful misconduct.

Section 26.10. The Escrow Agent has executed this Agreement for the sole purpose of agreeing to act as such in accordance with the terms of this Agreement.

SECTION 27: CONFIDENTIALITY/PUBLICATION

Except as may be required by law, as may be necessary to effectuate the contemplated transaction or except as to prospective lenders, lenders, investors, agents and contractors, both the Seller and Purchaser, individually and on behalf of their representatives (including principals, affiliates or clients; it being agreed that Seller and Purchaser shall each be responsible for the breach by their respective representatives of the terms of this Section 27), agree that at all times through the Closing Date they and their respective representatives shall hold both the terms and conditions of this Agreement and its existence as confidential information and will not disclose such terms, conditions or existence or the fact that the negotiations are taking place, to any third party without the other's consent. This Section shall survive for one (1) year after the termination of this Agreement in the event that the Closing does not occur. This Section shall constitute a binding and enforceable agreement under applicable law.

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

SELLER

CORPORATE CENTER ASSOCIATES LIMITED PARTNERSHIP

By: _____, its general partner

By: _____
Name:
Title:

PURCHASER:

TRANSWESTERN INVESTMENT COMPANY, L.L.C.

By: _____, its [sole
managing member]

By: _____
Name:
Title:

ESCROW AGENT

COMMONWEALTH LAND TITLE INSURANCE COMPANY

By: _____
Name:
Title:

SCHEDULE 1

List of Personal Property

SCHEDULE 2

List of Leases

[TO BE SUPPLIED BY PURCHASER AND CONFIRMED BY SELLER]

SCHEDULE 3

Security Deposits

SCHEDULE 4

Service Contracts

SCHEDULE 5

SCHEDULE 6

Litigation

SCHEDULE 7

Permitted Encumbrances

SCHEDULE 8

Rent Arrearages as of May 31, 1999

Exhibit A: Description of the Land

Exhibit B:

DEED

When recorded, return to:

(Space above this line for Recorder's use)

SPECIAL WARRANTY DEED

For the consideration of Ten Dollars and other valuable consideration, the receipt and sufficiency of which are acknowledged, Corporate Center Associates Limited Partnership, a _____ limited partnership ("Grantor"), conveys to _____, a _____ [limited liability company], the following described real property situated in Maricopa County, Arizona, together with all buildings, structures, improvements and fixtures thereon and all rights and privileges appurtenant thereto:

See the legal description set forth in Exhibit "A" attached and incorporated by this reference (the "Property").

SUBJECT TO only those matters set forth in Exhibit "B" attached and incorporated by this reference.

Grantor binds itself and its successors to warrant and defend the title to the Property against all acts of Grantor since May 24, 1999 and no other, subject to only the matters set forth above.

Dated this _____ day of June, 1999.

Grantor: Corporate Center Associates Limited Partnership

By _____, its general partner

By _____
Name:
Title:

STATE OF _____)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this _____ day of June, 1999, by _____ as _____ of Corporate Center Associates Limited Partnership, on behalf of the partnership.

Notary Public

My Commission Expires:

Exhibit C

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT (this "Assignment"), dated this _____ day of _____, 199_, is made by and among _____ (the "Assignor") and _____ (the "Assignee").

WHEREAS, Assignee has this day purchased Assignor's interest in the real property legally described on the attached Exhibit A (the "Property"); and

WHEREAS, the execution and delivery of this Assignment is a condition precedent to the purchase by the Assignee of the Property;

NOW, THEREFORE, in consideration of the purchase and sale of the Property, and for other good and valuable consideration, Assignor agrees as follows (unless otherwise defined, all capitalized terms shall have the meanings set forth in the Purchase and Sale Agreement dated as of _____, 199_ between Assignor and Assignee (the "Purchase and Sale Agreement"));

1. Assignor hereby grants, transfers and assigns to Assignee and Assignee accepts from Assignor all the right, title and interest of Assignor, from and after the date hereof, in and to the following (the "Assigned Assets"):

(i) all permits and licenses, certificates of occupancy, approvals, dedications, subdivision maps or plats and entitlements issued, approved or granted by federal, state or municipal authorities or otherwise in connection with the Property and its renovation, construction, use, maintenance, repair, leasing and operation; and all licenses, consents, easements, rights of way and approvals required from private parties to make use of utilities, to insure pedestrian ingress and egress to the Property and to insure continued use of any vaults under public rights-of-way presently used in the operation of the Property;

(ii) the use of any names by which any of the Property is commonly known, and all goodwill, if any related to said names;

(iii) all Security Deposits, all Leases, and all correspondence with the Tenants under Leases, all booklets and manuals relating to the maintenance and operation of the Property; and

(iv) the Books and Records, Warranties, Brokerage Agreements and Personal Property.

The foregoing are collectively referred to herein as the "Assigned Assets". The foregoing assignment is made without recourse, and on an "as-is, where-is, with all faults" basis, without any representation or warranty by Assignor except as may be expressly set forth in the Purchase and Sale Agreement.

2. Assignor shall retain full responsibility for all the obligations

under the Assigned Assets accruing prior to the date hereof and Assignor agrees to indemnify and hold Assignee harmless from any claims, liabilities or costs arising therefrom.

3. Assignee agrees to assume full responsibility for all the obligations under the Leases accruing on or after the date hereof and Assignee agrees to indemnify and hold Assignor harmless from any claims, liabilities or costs arising therefrom.

4. This instrument may be executed in counterparts, each of which shall constitute an original and all of which, taken together, shall constitute one and the same instrument.

5. This Assignment shall be governed by and construed in accordance with the laws of the State of _____. This Assignment shall be construed without regard to any presumption or other rule requiring construction against the party causing this Agreement to be drafted.

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

ASSIGNOR: _____ ASSIGNEE: _____
By: _____
By: _____
Name: _____ Name: _____
Title: _____

Exhibit D

FIRPTA CERTIFICATE

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest by ("Seller"), Seller hereby certifies the following:

- 1. Seller is not a foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);
- 2. Seller's U.S. employer identification number is (_____) and
- 3. Seller's principal place of business is (_____).

Seller understands that this certification may be disclosed to the Internal Revenue Service by transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of Seller.

By: _____
By: _____
Name: _____
Title: _____

Subscribed and sworn to before me this ____ day of _____, 199_.

Exhibit E
Form of Tenant Estoppel

PURCHASE AND SALE AGREEMENT

BY AND BETWEEN:

EAST BROADWAY 5151 LIMITED PARTNERSHIP
METROPOLITAN OPERATING PARTNERSHIP, L.P.,
5750 ASSOCIATES LIMITED PARTNERSHIP
MAITLAND ASSOCIATES, LTD., and
MAITLAND WEST ASSOCIATES LIMITED PARTNERSHIP

(the "SELLER")

and

PRAEDIUM PERFORMANCE FUND IV, L.P.

(the "PURCHASER")

Dated: as of July 22, 1999

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EXHIBITS

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Exhibit C:	Assignment and Assumption Agreement
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Exhibit H:	Form of Notice of Assignment
Exhibit I:	Form of Assignment of the GSA Lease

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this "AGREEMENT") made as of the 22nd day of July, 1999 by and between EAST BROADWAY 5151 LIMITED PARTNERSHIP, METROPOLITAN OPERATING PARTNERSHIP, L.P. ("METROPOLITAN"), 5750 ASSOCIATES LIMITED PARTNERSHIP, MAITLAND ASSOCIATES, LTD. and MAITLAND WEST ASSOCIATES LIMITED PARTNERSHIP, each having an address at c/o Metropolitan Partners, LLC, 225 Broadhollow Road, Melville, New York 11747 (collectively, the "SELLER" and each, individually, a "SELLER") and PRAEDIUM PERFORMANCE FUND IV, L.P., having an address at 11 Madison Avenue, 26th Floor, New York, New York 10010 (hereinafter, the "PURCHASER").

RECITALS

A. East Broadway 5151 Limited Partnership is the owner of the property known as 5151 East Broadway in Tuscon, Arizona ("5151 EAST BROADWAY"), which property is more particularly described as Parcel 1 on Exhibit A attached hereto.

B. Metropolitan Operating Partnership, L.P. is the owner of the property known as Century Plaza in Phoenix, Arizona ("CENTURY PLAZA"), which property is more particularly described as Parcel 2 on Exhibit A attached hereto (5151 East Broadway and Century Plaza are hereinafter collectively referred to as

the "ARIZONA PROPERTIES").

C. 5750 Associates Limited Partnership is the owner of the property known as 5750 Major Blvd. in Orlando, Florida ("5750 MAJOR BLVD."), which property is more particularly described as Parcel 3 on Exhibit A attached hereto.

D. Maitland Associates, Ltd. is the owner of the property known as Maitland Forum in Orlando, Florida ("MAITLAND FORUM") which property is more particularly described as Parcel 4 on Exhibit A attached hereto.

E. Maitland West Associates Limited Partnership is the owner of the property known as Maitland West in Orlando, Florida ("MAITLAND WEST") which property is more particularly described as Parcel 5 on Exhibit A attached hereto (5750 Major Blvd., Maitland Forum and Maitland West are hereinafter collectively referred to as the "FLORIDA PROPERTIES"; the Arizona Properties and the Florida Properties are each hereinafter sometimes individually referred to as a "PROPERTY").

F. Purchaser desires to purchase the Properties and Seller desires to sell the same to Purchaser pursuant to the terms hereof.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, do hereby agree as follows:

SUBJECT OF SALE

Section 1.01. Subject to and in accordance with the terms and conditions of this Agreement, the Seller shall transfer and convey to Purchaser, all of the Seller's right, title and interest in and to the following:

(a) (i) those certain parcels of real property situate, lying and being in the States of Arizona and Florida and being more particularly described on EXHIBIT A attached hereto (the "LAND"), and (ii) all of the improvements located on the Land (individually, a "BUILDING" and collectively, the "IMPROVEMENTS");

(b) all rights, privileges, grants and easements appurtenant to the Seller's interest in the Land and Improvements, including, without limitation, all of the Seller's right, title and interest in and to the Land lying in the bed of any public street, road or alley, all mineral and water rights and all easements, licenses, covenants and rights-of-way or other appurtenances used in connection with the beneficial use and enjoyment of the Land and Improvements (the Land and Improvements and all such rights, privileges, easements, grants and appurtenances are sometimes referred to herein as the "REAL PROPERTY"); (c) the fixtures, machinery, equipment, and other items of personal property and fixtures owned by the Seller and located in or attached to the Real Property, including, but not limited to the items set forth on Schedule 1 attached hereto and made a part hereof and all warranties and guarantees, to the extent in Seller's possession or control, relating to the foregoing or the Real Property or any portion thereof (the "PERSONAL PROPERTY"), and used in connection with the ownership or operation of the Real Property; (d) all leases, notices and other agreements with respect to the use and occupancy of the Real Property, together with all amendments and modifications thereto and any guaranties provided thereunder (individually, a "LEASE", collectively, the "LEASES") and rents, percentage rents, additional rents, including prepaid rents (to the extent attributable to the period following the Closing) reimbursements, profits, income, receipts (collectively "Rents") and the amounts required to be deposited (individually, a "SECURITY DEPOSIT"; collectively, the "SECURITY DEPOSITS") under any such Leases in the nature of security for the performance of any Tenant's obligations thereunder; (e) the right to use any names by which any of the Real Property is commonly known and all goodwill, if any, related to said names; (f) all permits, licenses, approvals, and certificates relating to the Real Property and the Personal Property (collectively, the "PERMITS AND LICENSES") and all of the Seller's right, title and interest in and to (i) those contracts (including, without limitation, management contracts) and agreements for the servicing, maintenance, repair or operation of the Real Property (the "SERVICE CONTRACTS") and (ii) the brokerage agreements listed on Schedule 2 attached hereto and made a part hereof (the "BROKERAGE AGREEMENTS") relating to the Leases; (g) all books, records, promotional material, tenant data, past and current rent rolls, market studies, keys, plans and specifications (other than the general ledger account of the Seller) used in connection with the use or operation of the Real Property or Personal Property (collectively, the "BOOKS AND RECORDS") in each case to the extent in Seller's possession or control; and (h) all other rights, privileges, and appurtenances, if any related to the ownership, use or operation of the Real Property or Personal Property, including, without limitation, any real estate tax refunds relating to the Property allocable to the period following the Closing Date. The Real Property, the Personal Property, the Leases, the Security Deposits, the Permits and Licenses, the Service Contracts, the Brokerage Agreements, the Books and Records, and all other property interests relating or appurtenant to each Property being conveyed hereunder are hereinafter collectively referred to as the "PROPERTIES".

DEFINITIONS

Section 2.01. For all purposes of this Agreement, except as otherwise expressly provided or unless the context clearly indicates a contrary intent:

(i) the capitalized terms defined in this Section have the meanings assigned to them in this Section, and include the plural as well as the singular; and

(ii) the words "herein", "hereof", and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Section or other subdivision.

"ACTUAL KNOWLEDGE" shall mean the actual knowledge (after due inquiry with the Arizona Property Manager and the Florida Property Manager and after requiring (i) the Arizona Property Manager to verify any relevant information with Scott Jensen and the personnel listed on Exhibit H to the Arizona Property Management Agreement and (ii) the Florida Property Manager to verify any relevant information with the personnel listed on Exhibit A to the Florida Property Management Agreement) of F.D. Rich, III, Richard Conniff, Diane Conniff, Michael Silvershein and Metropolitan, it being agreed by the parties hereto that no knowledge shall be imputed to Seller or any of the foregoing individuals or entities on account of the receipt by Metropolitan of the records of Tower Realty Trust, Inc. subsequent to the merger, consummated on May 24, 1999, pursuant to that certain Agreement and Plan of Merger, dated as of December 8, 1998, among Metropolitan Partners LLC, Reckson Operating Partnership, L.P., Reckson Associates Realty Corp. and Tower Realty Trust, Inc.

"AFFILIATE" as to any Person, shall mean any other Person which, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" of a Person means the power, directly or indirectly, either to (a) vote 50% or more of the securities having ordinary voting power for the election of directors of such Person or (b) direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

"ANTICIPATED MATERIAL LOSS" shall have the meaning set forth in the definition of Material Loss.

"ANTICIPATED MATERIAL LOSS DEADLINE" shall have the meaning set forth in Section 10.26 hereof.

"ARIZONA CONTRACT ESTOPPEL" shall mean the form of estoppel certificate attached hereto as Exhibit E.

"ARIZONA PROPERTY MANAGEMENT AGREEMENT" shall mean that certain Management and Leasing Agreement, dated as of May 24, 1999, between East Broadway 5151 Limited Partnership, Metropolitan Operating Partnership, L.P., Corporate Center Associates, Black Canyon Loop Company, LLC and the Arizona Property Manager.

"ARIZONA PROPERTY MANAGER" shall mean JDB Asset Management, Inc.

"ASSIGNMENT AND ASSUMPTION AGREEMENT" shall mean the Assignment and Assumption Agreement in the form of Exhibit C attached hereto.

"BOOKS AND RECORDS" shall have the meaning set forth in Section 1.01 hereof.

"BROKERAGE AGREEMENTS" shall have the meaning set forth in Section 1.01 hereof.

"BUSINESS DAY" shall mean any day other than a Saturday, Sunday or State of New York or federal legal holiday.

"CLOSING" shall mean the closing of the transactions contemplated by this Agreement.

"CLOSING DATE" shall mean the date when title to the Property is conveyed to Purchaser in accordance with the terms and conditions of this Agreement.

"CONTRACT PERIOD" shall mean the period commencing on the date of this Agreement and ending on the Closing Date.

"DATA ROOM" shall mean, with respect to the Arizona Properties, the "data room" in the offices of Insignia/ESG, Inc. at 2730 East Camelback Road, Suite 200, Phoenix, Arizona, or at such other location as the materials relating to the Arizona Properties may be located subsequent to the date of this Agreement and (ii) with respect to the Florida Properties, the "data room" in the offices of CB Richard Ellis, Inc. at 201 South Orange Avenue, Suite 1500, Orlando, Florida, or at such other location as the materials relating to the Florida Properties may be located subsequent to the date of this Agreement.

"DEPOSIT" shall have the meaning set forth in Section 3.02 hereof.

"ENVIRONMENTAL LAWS" shall mean all foreign, federal, state and local laws, regulations, rules and ordinances relating to pollution or protection of the environment, including, without limitation, laws relating to releases or threatened releases of hazardous substances, oils, pollutants or contaminants into the indoor or outdoor environment (including, without limitation, ambient air, surface water, groundwater, land, surface and subsurface strata) or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, release, transport or handling of hazardous substances, oils, pollutants or contaminants expressly intending to include without limitation asbestos.

"ESCROW AGENT" shall mean Commonwealth Land Title Insurance Company.

"FLORIDA ESTOPPELS" shall have the meaning set forth in Section 11.01(f) (ii) hereof.

"FLORIDA PROPERTY MANAGEMENT AGREEMENT" shall mean that certain Agreement for the Management of One Orlando Center, 5750 Office Center, Maitland Forum and Maitland West Buildings A, B and C, dated as of May 24, 1999, between Maitland West Associates Limited Partnership, Maitland Associates LTD, 5750 Associates Limited Partnership, Magnolia Associates LTD and the Florida Property Manager.

"FLORIDA PROPERTY MANAGER" shall mean CB Richard Ellis, Inc.

"GROUND LEASE" shall have the meaning set forth in Section 11.01(q) hereof.

"INDEMNITEE" shall have the meaning set forth in Section 15.02 hereof.

"INDEMNITOR" shall have the meaning set forth in Section 15.02 hereof.

"KNOWLEDGE" shall mean the actual knowledge of Seth Lieberman and Karim Demirdache and the information related in the Arizona Contract Estoppels and the Florida Estoppels.

"LEASES" shall have the meaning set forth in Section 1.01 hereof.

"LOSS" or "LOSSES" shall mean actual damage, loss, reasonable cost or reasonable expense (including reasonable costs of investigation incurred in defending against and/or settling such damage, loss, cost or expense or claim therefor and any amounts paid in settlement thereof) imposed on, or incurred by Seller.

"LOSS EVENT" shall have the meaning set forth in Section 10.26 hereof.

"MAC THRESHOLD" shall have the meaning set forth in the definition of Material Adverse Change.

"MAJOR ARIZONA TENANTS" shall mean those Major Tenants located in the Arizona Properties.

"MAJOR TENANTS" shall mean the Tenants identified on Schedule 3, attached hereto.

"MATERIAL ADVERSE CHANGE" shall mean the occurrence of a reduction of the annual base rent with respect to the Properties as compared to the aggregate annual base rent stated for the Properties shown on the Rent Roll on account of (i) the failure of a Tenant or Tenants (excluding Sverdrup and the Type A Delinquent Tenants) to pay annual base rent for either (x) the one (1) full calendar month preceding the Closing Date and for the calendar month in which the Closing Date occurs if the Closing occurs on or after the fifteenth (15th) day of a month or (y) if the Closing Date occurs before the fifteenth (15th) day of a calendar month, the two (2) full calendar months preceding the Closing Date, which arrearages remain uncured on the Closing Date, (ii) the filing of a voluntary or involuntary petition in bankruptcy by or with respect to one or more Tenants (excluding Sverdrup), (iii) or the termination of one or more Leases (excluding Sverdrup) other than pursuant to (A) an option contained in such Lease(s), (B) the stated expiration of such Lease(s) (but not a termination in connection with a default by either the landlord(s) or the Tenant(s) thereunder) or (C) a termination in connection with a casualty or condemnation, which shall be governed by Sections 8 and 9 hereof (the occurrence of (i), (ii) or (iii) above with respect to any Lease or Leases being hereinafter referred to as a "MATERIAL TENANT DEFAULT"), it being understood that the natural expiration of a Lease or the exercise of a termination option as provided in a Lease shall not be a Material Tenant Default, which loss of or reduction of annual base rent exceeds in the aggregate \$800,000 (the "MAC THRESHOLD"). For purposes of this Agreement, the occurrence of a Material Tenant Default with respect to any Lease shall be deemed to cause a loss of revenue with respect to such Lease in the amount of one (1) year's annual base rent payable under the Lease at the then applicable rental rate for such Tenant stated in the Rent Roll. Notwithstanding anything to the contrary herein set forth, the term "Material Adverse Change" shall not include any loss of or reduction of revenue to the extent that such loss of or reduction of revenue as compared to the Rent Roll occurs (1) with respect to any of the Leases to Blazer Financial Services, Inc., Trust One and IBA, (2)

as a result of a casualty or condemnation with respect to any Property or (3) on account of the area of Century Plaza.

"MATERIAL LITIGATION THRESHOLD" shall have the meaning set forth in the definition of Material Property Litigation.

"MATERIAL LOSS" or "MATERIAL LOSSES" shall mean any actual damage, loss, cost or expense or, subject to Section 10.26 hereof, any claimed damage, loss, cost or expense reasonably likely to become actual by some known date or following the occurrence of some event or events (i.e. following the process of litigation; such damage, loss, cost or expense reasonably likely to become actual as aforesaid being herein referred to as an "ANTICIPATED MATERIAL LOSS"), including reasonable costs of investigation incurred in defending against and/or settling such damage, loss, cost or expense or claim therefor and any amounts paid in settlement thereof but excluding consequential damages, that are not a Material Adverse Change, that are imposed on or suffered by Purchaser because any representations made by Seller in Section 10 of this Agreement are false or inaccurate, which damages, losses, costs or expenses exceed, in the aggregate, \$500,000 (the "MATERIAL LOSS THRESHOLD"). Purchaser agrees that no damage, loss, cost or expense imposed on or suffered by Purchaser shall be deemed a "Material Loss" if such damage, loss, cost or expense imposed on or suffered by Purchaser relates to any of the following: (i) a Material Adverse Change, (ii) any matter of which Purchaser has Knowledge as of the date of this Agreement, (iii) the physical condition of the Properties and/or required capital improvements (provided, however, that this subclause (iii) shall not serve to limit the scope of Sections 8 and 9 of this Agreement or Purchaser's rights thereunder nor shall it serve to limit Seller's obligations under Sections 10.10 and 10.25 of this Agreement), and (iv) the existence of any hazardous substances at the Properties and any violation of Environmental Laws with respect to any of the Properties.

"MATERIAL LOSS THRESHOLD" shall have the meaning set forth in the definition of Material Loss.

"MATERIAL PROPERTY LITIGATIONS" shall mean litigations between Seller and any third parties which could cause a lien to be filed against a Property or between Seller and any Tenant, in either case which: (i) are commenced, or come to the attention of Purchaser if not listed on Schedule 13 of this Agreement, subsequent to the date of this Agreement and (ii) make claims for damages, other than punitive damages, in excess of \$500,000 (the "MATERIAL LITIGATION THRESHOLD").

"MATERIAL TENANT DEFAULT" shall have the meaning set forth in the definition of Material Adverse Change.

"MAXIMUM REIMBURSEMENT OBLIGATION" shall mean \$4,000,000.

"METROPOLITAN" shall have the meaning set forth in the introductory paragraph of this Agreement.

"MINOR ARIZONA TENANTS" shall have the meaning set forth in Section 11.01(f)(i) hereof.

"NEWLY DELINQUENT TENANTS" shall have the meaning set forth in Section 7.01(a) hereof.

"NON-CASH SECURITY DEPOSITS" shall have the meaning set forth in Section 11.01(u) hereof.

"ONGOING CAPITAL IMPROVEMENTS" shall have the meaning set forth in Section 10.25 hereof.

"PERMITS AND LICENSES" shall have the meaning set forth in Section 1.01 hereof.

"PERMITTED ENCUMBRANCES" shall mean, with respect to each Property those restrictions, covenants, agreements, easements and other matters and things affecting title as reflected on Schedule 4 annexed hereto and made a part hereof.

"PERSON" shall mean any individual, partnership, limited liability company, corporation, trust, governmental entity or any other type of entity.

"PERSONAL PROPERTY" shall have the meaning set forth in Section 1.01 hereof.

"PROPERTY" shall have the meaning set forth in Recital E hereof.

"PROPERTIES" shall have the meaning set forth in Section 1.01 hereof.

"PROPERTY FILES" shall have the meaning set forth in Section 4.01 hereof.

"PROPERTY MANAGEMENT AGREEMENTS" shall mean the Florida Management Agreement and the Arizona Management Agreement.

"PROPERTY MANAGERS" shall mean the Arizona Property Manager and the

Florida Property Manager collectively.

"PURCHASER'S LOSS NOTICE" shall have the meaning set forth in Section 10.20 hereof.

"PURCHASER'S WAIVER NOTICE" shall have the meaning set forth in Section 4.01 hereof.

"REAL ESTATE TAXES" shall mean real estate taxes and any general or special assessments imposed upon the Real Property, including but not limited to any general or special assessments of any governmental or municipal authority or tax district, including, without limitation, any assessments levied for public benefits to the Real Property.

"RENT ROLL" shall mean the rent roll attached to this Agreement as Schedule 10.

"RENTS" shall mean, collectively, all minimum rent, percentage rents and additional rent (including all escalations and tax and expense pass-throughs) payable by the Tenants under the Leases.

"SECURITY DEPOSITS" shall have the meaning set forth in Section 1.01 hereof.

"SELLER'S ESTOPPELS" shall have the meaning set forth in Section 11.01(f) hereof.

"SERVICE CONTRACTS" shall have the meaning set forth in Section 1.01 hereof.

"TAX BILLS" shall mean the two most recent real estate tax bills with respect to the Property, copies of which were previously delivered to Purchaser.

"TENANTS" shall mean all of the tenants, licensees, or other occupants of the Improvements.

"TENANT ESTOPPELS" shall mean the Arizona Tenant Estoppels and the Florida Estoppels collectively.

"TITLE INSURER" shall mean Commonwealth Land Title Insurance Company or any other title insurance company acceptable to Purchaser and licensed in Florida and Arizona.

"TYPE A DELINQUENT TENANTS" shall mean those Tenants designated as "Type A" on Schedule 5, attached hereto.

TRANSFER OF PROPERTY; PURCHASE PRICE

Section 3.01. The Seller agrees to sell to Purchaser, and Purchaser agrees to purchase from the Seller, subject to and in accordance with the terms, provisions, covenants and conditions set forth in this Agreement, the Properties for a purchase price of SEVENTY-FIVE MILLION FIVE HUNDRED THOUSAND (\$75,500,000.00) DOLLARS (the "PURCHASE PRICE").

Section 3.02. Upon execution and delivery of this Agreement, Purchaser has deposited the sum of THREE MILLION (\$3,000,000.00) DOLLARS with Escrow Agent (such amount, together with any interest accrued thereon being hereinafter referred to as the "DEPOSIT") to be held by Escrow Agent in accordance with Section 26 of this Agreement.

Section 3.03. On the Closing Date, Purchaser shall deliver to Escrow Agent the balance of the Purchase Price (i.e. the Purchase Price less the Deposit) by wire transfer.

SECTION 4: DUE DILIGENCE; "AS IS" SALE

Section 4.01. Seller has made available to Purchaser the most current surveys of the Properties, the most recent title insurance policies or commitments for the Properties and the most recent environmental reports relating to the Properties and such other documents, correspondence and memoranda as may relate to the Properties to the extent that such information is in Seller's possession or control (such materials being hereinafter collectively referred to as the "PROPERTY FILES"). Except as expressly herein set forth to the contrary, Purchaser has examined the Properties and reviewed the Property Files and agrees to accept the Properties "AS IS".

Section 4.02. During the Contract Period, Purchaser and its authorized agents, employees and other representatives, upon reasonable prior notice to the Seller, shall have reasonable access to the Properties for the purpose of inspecting the same and the Seller shall have the right to and shall make a representative available to be present during such inspections. In connection therewith, Purchaser may cause one or more surveyors, attorneys, engineer, auditors, architects and other experts of its choice and at Purchaser's expense to (i) inspect the Properties and any documents related to the Properties, to the extent in Seller's possession or control, including,

without limitation, all title and survey information, as-built plans and specifications, soil and environmental reports, engineering inspection reports with respect to all mechanical systems, the roof, etc., the site plan, zoning approvals, building permits, Leases, Service Contracts, books, all prior tenant estoppels (including all notices relating thereto and thereunder), financial and accounting records and any other non-proprietary, non-confidential information which may reasonably be requested by Purchaser, and (ii) appraise and otherwise do that which, in the opinion of Purchaser, is necessary to determine the condition and value of the Properties for the uses intended by Purchaser. Seller shall use reasonable efforts to arrange the availability to Purchaser during the Contract Period of all Leases, operating statements, Service Contracts and the most recent tax and utility bills relating to the Properties, to the extent that such information is available in the Data Room or in Seller's possession or control. Purchaser agrees that it shall not contact any Tenant or occupant of the Properties prior to the Closing without Seller's approval, which approval may be granted or withheld in Seller's reasonable discretion, provided that Seller may have a representative present at any contact between Purchaser and any Tenant or occupant of the Properties. All information obtained, received and/or reviewed by Purchaser during the Contract Period shall be kept strictly confidential in accordance with Section 27 of this Agreement except as may be required in order to comply with applicable law, subpoena, SEC disclosure requirements and judicial orders and except to the extent that any information obtained is public knowledge (provided, however, that Purchaser shall not confirm any inquiries of third-parties based on such public knowledge). Purchaser shall not interfere in any material respect with the use or operation of the Properties during such inspections. Purchaser shall indemnify, defend and hold harmless the Seller from and against any and all loss, costs, liability, damage and expenses, including, but not limited to, penalties, fines, court costs, disbursements and reasonable out-of-pocket attorney's fees incurred directly in connection with or arising directly from injuries to persons or damage to Properties directly caused by Purchaser, its agents, employees, representatives or independent contractors with respect to such right of access and Purchaser shall deliver to Seller evidence of contractual liability insurance maintained by Purchaser, its agents, employees, representatives or independent contractors, as the case may be, insuring Purchaser's indemnity under this Section, at such time as Purchaser requests access to the Properties in accordance with this Section 4.02. The provisions of this Section shall be binding upon Purchaser regardless of whether or not the transactions contemplated hereby are consummated and shall survive for a one-year period following the termination of this Agreement or the Closing.

SECTION 5: MATTERS TO WHICH THE SALE IS SUBJECT

Section 5.01. The Seller shall assign and convey or cause to be assigned and conveyed to Purchaser good, valid, marketable, insurable fee title to the Properties (subject to Section 11.01(o) hereof) free and clear of any and all mortgages, liens, leases, encumbrances and easements, and other title matters except:

(a) All taxes, Real Estate Taxes, water meter and water charges and sewer rents, fixed or not fixed, relating to the period after the Closing Date; specifically excluded from this provision are all such taxes, charges and sewer rents which accrued prior to the Closing Date, but are payable after the Closing Date;

(b) All zoning laws and building ordinances, resolutions, regulations and orders (other than violation orders) of all boards, bureaus, commissions and bodies of any municipal, county, state or federal government; and

(c) The Permitted Encumbrances.

SECTION 6: OUTSTANDING INTEREST OR UNMARKETABLE TITLE

Section 6.01. As a condition to the Closing, and subject to Section 11.01(o) hereof, the Title Insurer must issue at the Closing fee title policies to Purchaser insuring Purchaser's title to the Properties subject only to the Permitted Encumbrances. As a condition to the Closing, the Title Insurer must issue at the Closing standard ALTA fee title policies with mechanic's lien endorsements, the endorsements annexed hereto as Schedule 14 and, subject to Section 11.01(o), hereof, all other standard endorsements to Purchaser insuring Purchaser's title to the Properties subject only to the Permitted Encumbrances.

Section 6.02. If at the Closing it should appear that any of the Properties are affected by any outstanding interest or question of title which Purchaser is not obliged to take the Properties subject to in accordance with the terms of this Agreement and, if such interest or question of title may, according to Purchaser's and Seller's reasonable expectations, be removed as an objection to title within one (1) month from the scheduled Closing Date, the Seller and/or Purchaser may adjourn the Closing Date for such purpose for a combined period not extending beyond the first day of the calendar month next succeeding the month of the scheduled Closing Date during which time Seller shall use reasonable efforts to promptly and continually seek to remedy, cure and remove any such objection to title at Seller's sole cost and expense. If any Property shall be affected by any lien or encumbrance which is

not a Permitted Encumbrance and which may be discharged by the payment of an ascertainable amount of money not to exceed \$750,000 (it being understood that Seller shall not be required to remove any lien or encumbrance not caused by, at the direction of, as a result of the actions or omissions of or with the consent of Seller, the removal of which would require expenditures in excess of \$750,000), Seller shall discharge all such liens or encumbrances and Seller shall be entitled to a reasonable adjournment not to exceed two (2) weeks to accomplish the discharge thereof; further, subject to the reasonable approval of Purchaser and the Title Insurer, the Seller shall have the obligation, to escrow with the Escrow Agent for such lien or encumbrance if such lien or encumbrance is not readily dischargeable. Notwithstanding the foregoing, Seller shall be obligated to discharge or remove of record all liens or encumbrances recorded against any Property which are not Permitted Encumbrances, which liens or encumbrances were caused by, at the direction of, as a result of the actions or omissions of or with the consent of Seller, regardless of the amount of such liens or encumbrances and Purchaser, in its sole discretion, may adjourn the Closing for a period not to exceed two (2) months if necessary for Seller to so remove or discharge such liens or encumbrances. Subject to the immediately preceding sentence, if after any applicable adjournment the Seller shall be unable to convey Property in accordance with the provisions of this Agreement or Seller shall be unwilling to remove any lien or encumbrance which (i) is not a Permitted Encumbrance, (ii) was not caused by, at the direction of, as a result of the actions or omissions of or with the consent of Seller and (iii) which may be discharged only by the payment of money in excess of \$750,000, Purchaser shall have the right to waive the defect in title and accept such title as the Seller can convey without a reduction in the Purchase Price or terminate this Agreement by written notice to the Seller whereupon the Deposit and all interest thereon shall be immediately returned to Purchaser and the parties shall have no further rights or obligations hereunder except that Seller shall reimburse Purchaser for up to \$25,000 of its due diligence costs in the event that this Agreement is terminated because Seller is unwilling to remove any lien or encumbrance which is not a Permitted Encumbrance, was not caused by, at the direction of, as a result of the actions or omissions of or with the consent of Seller and which may be discharged only by the payment of money in excess of \$750,000.

SECTION 7: ADJUSTMENTS

Section 7.01. All items of income and expense relating to the Properties, including the following, shall be apportioned between the parties as of midnight of the day immediately preceding the Closing Date so that the Seller shall be charged with and have the benefit of such items accrued through the day immediately preceding the Closing Date, and Purchaser shall be charged with and have the benefit of such items accrued from and after the Closing Date:

(a) Rents (including base rent, percentage rents and additional rent). Attached hereto as Schedule 5 is a list, prepared on a Tenant by Tenant basis, of all delinquent Rents as of June 30, 1999 of which Seller has Actual Knowledge. Except as set forth below, any payments received by Purchaser after the Closing on account of delinquent Rents or Rents collected in arrears attributable to the period prior to the Closing shall be adjusted post-Closing in accordance with the following order of priority: (i) first, pro-rata between Purchaser and Seller, to the calendar month in which the Closing occurs; (ii) then, for the benefit of Purchaser, to the extent necessary for Purchaser to remain current with respect to Rents attributable to the period subsequent to the Closing, to any calendar month or months following the calendar month in which the Closing occurs; and (iii) then, for the benefit of Seller, to any other unpaid Rents attributable to the period prior to the calendar month in which the Closing occurs. Notwithstanding the foregoing, to the extent that any Tenant (x) which does not appear on the delinquency list attached hereto as Schedule 5 or is designated as a "Type B" Tenant on Schedule 5 and (y) which has deposited with Seller a Security Deposit in connection with its Lease as set forth on Schedule 9 annexed hereto, fails, beyond the expiration of any applicable grace period, to pay the Rent due under its Lease for both of the last two calendar months prior to Closing (such Tenant being herein referred to as a "NEWLY DELINQUENT TENANT"), then any payments received by Purchaser after the Closing from such Newly Delinquent Tenant on account of delinquent Rents attributable to the period prior to the Closing shall be adjusted post-Closing in accordance with the following order of priority: (1) first, pro-rata between Purchaser and Seller, to the calendar month in which the Closing occurs; (2) then, for the benefit of Seller, to the one (1) calendar month preceding the month in which the Closing occurs; (3) then, for the benefit of Purchaser, to the extent necessary for Purchaser to remain current with respect to Rents attributable to the period subsequent to the Closing, to any calendar month or months following the calendar month in which the Closing occurs; and (4) then, for the benefit of Seller, to any other unpaid Rents attributable to the period prior to the calendar month which precedes the calendar month in which the Closing occurs. Purchaser shall use commercially reasonable efforts (which shall not include litigation), at Seller's sole cost and expense, to recover all delinquent Rents to which Seller is entitled pursuant to this Section 7.01(a). This provision shall survive the Closing for a period of eighteen (18) months. Seller shall not commence any litigation against Tenants, which prohibition shall survive the Closing, nor shall Seller otherwise seek

recovery from any Tenants after the Closing Date, provided, however, that this sentence shall not limit the right of Seller to pursue or recover \$8,762.42 plus interest from Career Development in connection with amounts owed Seller for work performed by Seller in Career Development's premises. Additionally, Seller shall not during the Contract Period apply the Security Deposit of any Tenant against such Tenant's unperformed obligations under its Lease.

(b) Real Estate Taxes, sewer and vault rents, charges and license fees, water meter and frontage charges and other utilities charges. If the Closing Date shall occur before the Real Estate tax rate is fixed, the apportionment of Real Estate Taxes at the Closing shall be upon the basis of the old Real Estate Tax rate for the preceding period applied to the latest assessed valuation. Promptly after the new Real Estate Tax rate is fixed for the calendar year in which the Closing takes place, the apportionment of Real Estate Taxes shall be recomputed. Any discrepancy resulting from such recomputation shall be promptly paid to the other party, which obligation shall survive the Closing for a period of eighteen (18) months. Seller shall receive full credit for any early payment discount obtained with respect to the Florida Properties.

(c) charges payable under Service Contracts, Brokerage Agreements and the Property Management Agreements on the basis of the period covered by such payments and any other ordinarily adjusted expenses including fuel and utility charges.

(d) Except as set forth to the contrary, the provisions of this ss.7.01 shall survive the closing for a period of six months.

Section 7.02. Seller shall be responsible for any overcharges of common area maintenance at the Properties attributable to the period preceding the Closing Date. If, after the Closing, a Tenant shall make a claim against Purchaser for the recovery of any common area maintenance overcharges attributable to the period proceeding the Closing Date, Seller shall reimburse Purchaser for its costs and expenses in defending or contesting same and Seller shall indemnify Purchaser for the amount of any payment, judgment or settlement resulting from such claim; provided, however, that Purchaser shall not enter into any settlement of any such claim without Seller's prior written consent, which shall not be unreasonably withheld or delayed. Seller's obligations under this Section 7.02 shall survive the Closing for a period of one-hundred and eighty (180) days.

SECTION 8: CASUALTY

Section 8.01. (a) If a "material part" (as defined below) of any of the Improvements shall be damaged or destroyed by fire or other casualty, then, in any such event, Purchaser may, at its option, either (i) cancel this Agreement by written notice delivered to Seller no later than the earlier of the Closing Date or the twentieth (20th) day after the date of such fire or other casualty, whereupon subject to Section 26, the Deposit shall be returned to Purchaser and the parties hereto shall be released of all obligations and liabilities of whatsoever nature in connection with this Agreement, or (ii) proceed to close the transactions contemplated by this Agreement, in which event all of the provisions of subsection 8.01(b)(i) and subsection 8.01(b)(ii) below shall apply.

(b) If a part other than a material part of an Improvement shall be destroyed or damaged by fire or other casualty Purchaser shall nevertheless close title to all of the Properties pursuant to all the terms and conditions of this Agreement, subject to the following: (i) Seller shall not (x) adjust and settle any insurance claims, or (y) enter into any construction or other contract for the repair or restoration of the damaged Property without Purchaser's prior written consent, which consent shall not be unreasonably withheld or delayed (it being agreed that Purchaser shall be deemed to have consented to any insurance adjustment or settlement or any contract for repair or restoration if Purchaser has not objected to the same in writing on or before the fifth (5th) business day after the date on which same was delivered to Purchaser by written notice for its consent), and (ii) at the Closing, the Seller shall (1) pay over to Purchaser the amount of any insurance proceeds, to the extent collected by Seller in connection with such casualty, less the amount of the reasonable expenses incurred by Seller directly in connection with collecting such proceeds and making any repairs to the Property occasioned by such casualty pursuant to any contract, plus the amount of any deductible under Seller's insurance policy, (2) assign to Purchaser all of Seller's right, title and interest in and to any insurance proceeds and the right to settle and adjust same that are uncollected at the time of the Closing and that may be paid in respect of such casualty, and (3) pay to Purchaser the amount of any policy deductibles pursuant to the insurance policies covering such fire or other casualty and maintained by Seller (as opposed to insurance or self-insurance maintained by Tenants of the Properties). The Seller shall reasonably cooperate with Purchaser in the collection of such proceeds, which obligation shall survive the Closing.

(c) For the purpose of this Section, the phrase a "MATERIAL PART" of an Improvement shall mean that the cost of repair or restoration is estimated by a reputable contractor selected by the Seller and reasonably satisfactory to Purchaser, to be in excess of five percent (5%) of the Purchase Price.

SECTION 9: CONDEMNATION PENDING CLOSING

Section 9.01. If, condemnation or eminent domain proceedings shall be commenced by any competent public authority against the Real Property or any part thereof, the Seller shall promptly give Purchaser written notice thereof. After written notice of the commencement of any such proceedings from the Seller and in the event that the taking, of such property is Material (as hereinafter defined), Purchaser shall have the right (i) to accept title to the Property subject to the proceedings, and pay to the Seller the full Purchase Price, whereupon any award payable to the Seller shall be paid to Purchaser and the Seller shall deliver to Purchaser at the Closing all assignments and other documents reasonably requested by Purchaser to vest such award in Purchaser, or (ii) to rescind this Agreement upon written notice delivered to Seller no later than the day that is twenty (20) days after the date on which Seller delivered notice of such proceeding to Purchaser and upon the return of the Deposit to Purchaser, with interest thereon, this Agreement shall be null and void and neither party will have any further obligations hereunder, except for any rights or obligations which are expressly stated to survive termination of this Agreement. A taking shall be deemed to be "MATERIAL" if said taking would either (i) materially interfere with the use or operation of the Property for the contemplated use thereof, or (ii) reduce the estimated value of the Property (as reasonably determined by an independent M.A.I. appraiser chosen by Purchaser and reasonably satisfactory to the Seller) by an amount equal to five percent (5%) or more of the Purchase Price or (iii) create a right of any Tenant or Tenants leasing in the aggregate over five percent (5%) or more of the leased square feet of the Properties to cancel their Lease(s) as a result of such condemnation.

SECTION 10: THE SELLERS' COVENANTS WARRANTIES AND REPRESENTATIONS

To induce Purchaser to enter into this Agreement and to accept the Properties from the Seller, each Seller makes the following representations and warranties (but only with respect to the Property of which such Seller is the owner), all of which the Seller represents are true in all material respects as of the date hereof and shall be true in all material respects as of the Closing Date and shall be deemed remade as of that date:

Section 10.01. (a) Each entity comprising Seller is and at the Closing shall be duly organized and validly existing and in good standing under the laws of the State in which it is organized with full power and authority to sell its Property and to take all actions required by this Agreement. Each entity comprising Seller shall at the Closing be authorized to do business in the State in which its Property is located.

(b) The execution, delivery and performance of this Agreement and consummation of the transaction hereby contemplated in accordance with the terms of this Agreement will not violate any partnership agreement or any material contract, agreement, commitment, order, judgment or decree to which Seller is a party or by which it is bound, and Seller has obtained (or will, by the Closing, have obtained) all consents necessary (whether from a governmental authority or other third party) in order for it to consummate the transactions contemplated hereby.

(c) The party or parties executing this Agreement on behalf of Seller have been duly authorized and are empowered to bind Seller to this Agreement and to take all actions required by this Agreement

(d) Upon execution, this Agreement shall be the binding obligation of Seller, enforceable against Seller in accordance with the terms hereof.

Section 10.02. (a) Prior to the date of this Agreement, Seller has delivered to Purchaser copies of environmental studies of the Real Property prepared by Law Engineering. Seller represents that it has not retained any environmental engineer other than Law Engineering to perform environmental studies relating to the Real Property.

(b) To Seller's knowledge there is no civil, criminal or administrative action, suit, demand, claim, hearing, notice of violation, investigation or proceeding, pending relating to Seller or any portion of any of the Properties or, to the Actual Knowledge of each Seller, threatened against any Seller or any portion of any of the Properties relating in any way to the Environmental Laws or any regulation, code, plan, order, decree, judgment, injunction, notice or demand letter issued, entered, promulgated or approved thereunder.

Section 10.03. Except as set forth on Schedule 13 attached hereto, to Seller's Actual Knowledge there are no existing or pending litigation, claims, condemnations or sales in lieu thereof with respect to any aspect of the Properties nor, to the Actual Knowledge of Seller, have any actions, suits, condemnations, proceedings or claims been threatened or asserted. No attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings are pending or threatened against the Seller. In the event any proceeding of the character described in this Section is initiated or threatened against the Seller prior to the Closing Date, the Seller shall promptly advise Purchaser thereof in writing.

Section 10.04. Seller shall make available to Purchaser copies of all Leases, in each case to the extent in Seller's possession or control, at all times until Closing. Seller has no Actual Knowledge of any other Leases.

Section 10.05. No Seller is a "foreign person" as defined in Section 1445 of the Internal Revenue Code of 1986, as amended, and the income tax regulations thereunder.

Section 10.06. There is no action, suit or proceeding pending or, to Seller's Actual Knowledge, threatened against the Seller and or relating to or arising out of the ownership, management or operation of the Properties, in any court or before any mediator, arbitrator, federal, state or municipal department, commission, board, bureau or other governmental instrumentality.

Section 10.07. Attached hereto as Schedule 2 is a list of all Brokerage Agreements, of which Seller has Actual Knowledge, to which Seller is a party and/or which affect the Properties.

Section 10.08. Attached hereto as Schedule 6 is a list of all Service Contracts, of which Seller has Actual Knowledge, to which Seller is a party and/or which affect the Properties.

Section 10.09. To the Actual Knowledge of Seller, there are no Service Contracts, Brokerage Agreements, property or asset management agreements or any other agreements that relate to services provided to the Properties that are not terminable on notice of thirty (30) days or less without premium or fee and, subsequent to May 24, 1999, no Service Contracts Brokerage Agreements, Property Management Agreements or any other agreement affecting the Properties or the Tenants have been amended or modified nor have any new Service Contracts, Brokerage Agreements, property or asset management agreements, or any other agreements been entered into. Seller agrees to terminate all or any of the Brokerage Agreements, the Property Management Agreements or other asset management agreements and any Service Contracts, upon the written request of Purchaser, effective as of the Closing Date (if possible given the date of Purchaser's request).

Section 10.10. Seller shall operate and maintain the Properties in a commercially reasonable manner.

Section 10.11. During the Contract Period, Seller shall notify Purchaser of all Material Tenant Defaults of which Seller has Actual Knowledge.

Section 10.12. Seller shall not market all or any of the Properties or enter into any contract or agreement to sell all or any portion of its interest in and to all or any portion of the Properties.

Section 10.13. Seller has no employees at the Properties.

Section 10.14. During the Contract Period Seller shall maintain such casualty and general liability insurance with respect to the Properties as is currently in effect. Set forth on Schedule 7, attached hereto are the insurance limits currently maintained by Seller and any applicable deductibles. Seller shall have the right to change insurance carriers during the Contract Period without Purchaser's consent provided that the coverage of any replacement policy shall not be less than the coverage set forth on Schedule 7.

Section 10.15. Seller shall not enter into any Leases or any amendments, extensions, expansions or terminations of any Leases without the prior written consent of Purchaser, except as described in the proposals attached hereto as Schedule 15.

Section 10.16. On or after the Closing Date Seller shall seek with diligence and good faith the execution by the United State of America of (i) a Novation Agreement, (ii) an Assignment of Government Contract and (iii) a Notice of Assignment of Government Contract, each in the forms attached hereto as Exhibits G, H and I respectively. Seller's obligations under this Section 10.16 shall survive the Closing.

Section 10.17. Attached hereto as Schedule 8 is a list of all Leases of which Seller has Actual Knowledge.

Section 10.18. Attached hereto as Schedule 9 is a list of all Security Deposits in Seller's possession.

Section 10.19. To Seller's Actual Knowledge the Rent Roll is true and accurate as of June 30, 1999; provided, however, that Seller makes no representation as to the accuracy of the size of the premises demised by the Leases as stated on the Rent Roll; Seller shall promptly notify Purchaser (but in any event no later than five (5) business days prior to the Closing) to the extent that Seller becomes aware of any change to or correction of the information set in Schedule 10. Notwithstanding the foregoing, Seller makes no representation as to the respective areas of the premises as set forth in the Rent Roll.

Section 10.20. To Seller's Actual Knowledge attached hereto as Schedule 11 is a true and accurate list as of June 30, 1999 of all unperformed tenant improvements which Seller is obligated to perform under the Leases or completed tenant improvements not yet paid for; Seller shall promptly notify Purchaser (but in any event no later than five (5) business days prior to the Closing) to the extent that Seller becomes aware of any change to or correction of the information set in Schedule 11. On or prior to Closing, Seller shall pay all unpaid amounts and complete all unperformed work or Purchaser shall receive a credit in such amounts at Closing to be applied against the Purchase Price. Without limiting the generality of the previous sentence, (i) Seller shall be obligated to pay all amounts owed on account of the work performed in the Charles Schwab, Inc. space at 5151 East Broadway, which obligation shall be paid at Closing or Purchaser shall receive a credit in the unpaid amount at Closing, (ii) Purchaser shall receive a credit at Closing in an amount equal to the positive difference, if any, between the contract price stated in the contract for tenant improvements to be performed for Dr. Brian Walker in Century Plaza, a copy of which contract is attached hereto as Schedule 16, and the aggregate amount of any payments made prior to Closing on account thereof provided that such contractor agrees at Closing to complete such work for the unpaid contract amount, (iii) Purchaser shall receive a credit at Closing in an amount equal to the positive difference, if any, between the contract price stated in the contract for tenant improvements to be performed for Pederson & Johnson in Century Plaza, a copy of which contract is attached hereto as Schedule 17, and the aggregate amount of any payments made prior to Closing on account thereof provided that such contractor agrees at Closing to complete such work for the unpaid contract amount and (iv) Seller shall be obligated to pay all amounts owed on account of the painting and carpeting in the Arizona Veterans space in Century Plaza, which obligation shall be paid at Closing or Purchaser shall receive a credit in the unpaid amount at Closing.

Section 10.21. To Seller's Actual Knowledge, attached hereto as Schedule 12 is a true and accurate list of all of the unpaid tenant improvement allowances which Seller is obligated to pay under all of the Leases.

Section 10.22. All representations, warranties and covenants of the Seller contained in this Agreement or in any affidavit or other document delivered in connection herewith shall be true and correct in all material respects at Closing and shall survive the Closing for a period of nine (9) months (except as otherwise expressly provided in this Agreement), it being the intention of the parties hereto that no legal action will accrue hereunder subsequent to such nine (9) month period on account of the breach of any representations, warranties and covenants of the Seller. Section 10.23. Seller shall cooperate with Purchaser during the Contract Period, at Purchaser's expense, to arrange the transfer of utilities with respect to the Properties.

Section 10.24. (a) Seller has delivered to Purchaser copies of all Tenant Estoppels it has received subsequent to June 1, 1999 and Seller shall deliver to Purchaser copies of all Tenant Estoppels it receives during the Contract Period. (b) Seller shall diligently seek to remove of record the Ground Lease.

Section 10.25. Seller is currently (i) installing a water cooling tower at Century Plaza pursuant to certain agreement, dated April 1, 1999, between Tower Realty Operating Partnership, L.P. and Tri-City Mechanical, (ii) performing concrete repairs to the parking garage at 5151 East Broadway pursuant to an agreement, dated June 24, 1999, between East Broadway 5151 Limited Partnership and Robert Caylor Construction Company and (iii) performing ceramic tile repairs at 5151 East Broadway pursuant to a bid, dated April 30, 1999, prepared by Foley Tile (the foregoing hereinafter collectively referred to as "ONGOING CAPITAL IMPROVEMENTS"). Seller shall complete the Ongoing Capital Improvements prior to the Closing Date, in a good and workmanlike manner and in compliance with all applicable codes, ordinances and legal requirements of the Cities of Phoenix and Tuscon, Arizona, as applicable. To the extent that the Ongoing Capital Improvements have not been completed on the Closing Date, Seller shall deliver to Purchaser the contractor's agreement to perform and complete the balance of such Ongoing Capital Improvements for the unpaid contract amount and the difference between the total amount theretofore paid by Seller on account of the incomplete Ongoing Capital Improvements and the contract price of same shall be credited to Purchaser at Closing.

Section 10.26. If (i) any of the representations, covenants and warranties set forth above prove to have been false or inaccurate when made and same is asserted in a writing (a "PURCHASER'S LOSS NOTICE") delivered by Purchaser to the Seller during the nine (9) month survival period, and (ii) Purchaser incurs a Material Loss as a result of such inaccuracy or falsity (the occurrence of a Material Loss to Purchaser being hereinafter referred to as a "LOSS EVENT"), then Seller shall promptly reimburse Purchaser for such Material Loss up to the amount of the Maximum Reimbursement Obligation (less the amount of any reimbursement previously granted Purchaser hereunder and any credit to the Purchase Price granted Purchaser at Closing pursuant to Section 16.01(a)(i) hereof). Seller's obligation under this paragraph shall survive the Closing or earlier termination of this Agreement provided Purchaser has delivered a Purchaser Loss Notice prior to the expiration of such nine (9) months (it being the intention of the parties hereto that Purchaser shall have no right to deliver a Purchaser's Loss Notice subsequent to such nine (9)

month period), provided, further, that Purchaser shall have no right to commence any legal action on account of a Material Loss for which a Purchaser's Loss Notice was timely delivered subsequent to the date that is six (6) months after the expiration of the nine (9) month survival period. Notwithstanding the foregoing, Purchaser may make a claim for an Anticipated Material Loss for which a Purchaser Loss Notice was timely delivered (i.e. prior to the end of the nine (9) month survival period; Purchaser agrees that a Purchaser's Loss Notice with respect to an Anticipated Material Loss, to be effective, must state with reasonable specificity the nature of the damage, loss, cost or expense that Purchaser deems likely to become actual) and which occurs (that is becomes an actual Material Loss) subsequent to the expiration of such nine (9) month survival period and not later than the date (the "ANTICIPATED MATERIAL LOSS DEADLINE") that is twelve (12) months after the Closing Date. Purchaser shall have no right to commence any legal action on account of an Anticipated Material Loss for which a Purchaser's Loss Notice was timely delivered (and which becomes an actual Material Loss prior to the Anticipated Material Loss Deadline) subsequent to the date that is six (6) months after the Anticipated Material Loss Deadline. Purchaser shall have no right to claim an additional loss post-Closing in connection with any Material Loss for which Purchaser received a credit pre-Closing in accordance with Section 16.01(a) (i) hereof whether or not the actual loss incurred in connection with such Material Loss is equal to or greater than the credit granted to Purchaser at Closing . It is specifically acknowledged that if Purchaser has any Knowledge on or prior to the date hereof that any representation made by Seller in this Agreement is false or inaccurate, Seller shall have no liability with respect to such false or inaccurate representation. Metropolitan hereby agrees to guaranty the obligations of each Seller under this Section 10.26 and under Section 22.01 hereof. Metropolitan covenants to maintain a minimum net worth (after deducting good will) of \$5,000,000 during the Survival Period (as hereinafter defined). Seller's SEC filings shall be the sole determining factor as to whether Seller shall have complied with the requirements of the immediately preceding sentence. The term "SURVIVAL PERIOD" shall mean the period of time up to and including the date that Seller (including Metropolitan) shall no longer have any actual or potential liability under this Section 10.26 or Section 22.01 hereof.

SECTION 11: THE SELLER'S INSTRUMENTS AT CLOSING

Section 11.01. Each Seller shall execute, or where applicable, cause the following to be delivered to Purchaser on the Closing Date:

(a) a deed in the form of Exhibit B-1 hereto with respect to each Arizona Property and a special warranty deed in the form of Exhibit B-2 hereto with respect to each Florida Property;

(b) assignments or other instruments in recordable form transferring and assigning to Purchaser each Seller's interest in the Property (other than the Real Estate) in the form of Exhibit C hereto;

(c) a certificate from the Seller stating that all representations and warranties made by the Seller in this Agreement are true in all material respects as of the Closing Date as if made on such date;

(d) duly executed real estate transfer tax forms, if any, for each Florida Property. The Seller shall at Closing pay all real estate transfer and conveyance and sales taxes payable to the appropriate state and/or local governmental and/or municipal authorities,

(e) a duly executed affidavit as may be required pursuant to Section 1445 of the Internal Revenue Code in the form of Exhibit D hereto;

(f) (i) tenant estoppels (the "ARIZONA TENANT ESTOPPELS") from the Tenants of the Arizona Properties, dated subsequent to June 1, 1999, substantially in the form of the Arizona Contract Estoppel attached hereto as Exhibit E, from each of the Major Arizona Tenants and from Tenants of the Arizona Properties other than the Major Arizona Tenants (the "MINOR ARIZONA TENANTS") occupying in the aggregate fifty percent (50%) or more of the balance of the leased square footage of the Arizona Properties. Alternatively, Seller may (x) cause the Tenants of the Arizona Properties to initial copies of the estoppel certificates already delivered to Purchaser (copies of which are attached as Exhibit E-1 hereto) which have been marked to conform to the form of the Arizona Contract Estoppel or (y) deliver to Purchaser letters from each of the Tenants in the Arizona Properties effecting the same changes as would be addressed by the estoppel certificates referred to in subclause (x) above. In the event that Seller is unable to obtain tenant estoppels from Minor Arizona Tenants occupying in the aggregate 50% or more of the leased square footage of the Arizona Properties occupied by all Minor Arizona Tenants, Seller shall provide estoppel certificates ("SELLER'S ESTOPPELS") which contain substantially the same information as would be contained in an estoppel certificate given by a Tenant in connection with a sufficient number of the Minor Arizona Tenants such that the tenant estoppels received from the Minor Arizona Tenants and the Seller's Estoppels delivered with respect to the Minor Arizona Tenants shall account for an aggregate of fifty percent (50%) of the leased square footage of the portion of the Arizona Properties occupied by Minor Arizona Tenants; provided that Seller shall not be required to deliver any Seller's Estoppels which contain information that is not true. If Seller

is unable to deliver Seller's Estoppels in accordance with the foregoing sentence, Purchaser shall have the right to terminate this Agreement and receive the return of the Deposit.

(ii) Seller shall deliver to Purchaser at Closing the originals of the estoppel certificates from the Florida Tenants, copies of which are attached hereto as Exhibit F (collectively the "FLORIDA Estoppels"). Seller shall deliver to Purchaser letters from those Tenants of the Florida Properties specified on Exhibit F-1 which address the matters set forth on Exhibit F-1.

(iii) During the Contract Period Seller shall cooperate with Purchaser, at Purchaser's expense, in requesting new estoppels from Tenants to the extent required or requested by Purchaser's lender; provided, however, that a new estoppel shall not be requested from any Tenant prior to such Tenant's delivery of either a Tenant Estoppel, an initialed corrective estoppel or a letter as contemplated by Sections 11.01(f)(i) and 11.01(f)(ii) above (unless Purchaser waives the requirement that such Tenant deliver a corrected estoppel).

(g) all third party warranties and guaranties with respect to the Personal Property and the Real Property, if any, to the extent in Seller's possession or control (it being understood that Seller makes no representations or warranties with respect to the Personal Property);

(h) executed notices to Tenants with respect to the sale of the Properties prepared by Seller and approved by Purchaser. If Purchaser has not approved the form of Tenant notices on or before the second business day prior to Closing, the Tenant notices shall be prepared and distributed after the Closing Date, which obligation shall survive the Closing;

(i) a Section 1099 affidavit;

(j) all plans, specifications, permits, licenses and keys with respect to the Properties, if any, in each case to the extent in Seller's possession or control;

(k) all files relating to the Properties (excluding the general ledger), including, without limitation, all Tenant files and Service Contract files, in each case to the extent in Seller's possession or control;

(l) disks containing all computer records in Seller's possession or control with respect to the Properties;

(m) all original Leases in Seller's possession or control, if any;

(n) to the extent required by the Title Insurer, original certificates of good standing, foreign authorizations, secretary's certificates and resolutions from each entity comprising Seller authorizing the sale of its Property and the consummation of the transactions contemplated by this Agreement applicable to its Property;

(o) (i) a gap indemnity and such documents and instruments as may be necessary for the Title Insurer to provide a mechanic's lien endorsement and (ii) such other documents, instruments, resolutions and other materials reasonably requested by Purchaser as may be necessary to effect the transfer of title hereunder or as may be requested by the Title Insurer which do not result in or require representations, covenants and warranties more extensive than those made by Seller in this Agreement;

(p) copies of all notices terminating Service Contracts, Management Agreements and Brokerage Agreements, to the extent Purchaser requested such terminations in accordance with Section 10.09 hereof;

(q) evidence reasonably satisfactory to Purchaser and the Title Insurer of the termination of that certain Ground Lease, dated March 9, 1984 (the "GROUND LEASE"), between Maitland Associates, Ltd. and Maitland Property Investors, Ltd. and that same is removed of record;

(r) certificates from each of the brokers under the Brokerage Agreements stating any amounts due under the Brokerage Agreements.

(s) with respect to the GSA Lease, Seller shall use commercially reasonable efforts to obtain fully executed, as applicable, a Novation Agreement, an Assignment of the GSA Lease and a Notice of Assignment in each case in the form attached hereto as Exhibits G, H and I.

(t) a delinquency schedule dated no earlier than five days prior to the Closing Date.

(u) with respect to any Security Deposits which are other than cash or that are in the form of a letter of credit (collectively, the "NON-CASH SECURITY DEPOSITS"), such instruments of transfer or assignment as shall be necessary to transfer such Non-Cash Security Deposits to Purchaser as the new beneficiary thereunder. Seller shall reasonably cooperate with Purchaser to prevent the expiration of any Non-Cash Security Deposits prior to the transfer of the same to Purchaser and to facilitate the recognition by the issuer of

such instrument of Purchaser as the beneficiary of any letter of credit or other form of Non-Cash Security Deposits.

SECTION 12: PURCHASER'S REPRESENTATIONS AND WARRANTIES

Section 12.01. To induce the Seller to enter into this Agreement, Purchaser makes the following representations and warranties, all of which Purchaser represents are true in all material respects as of the date hereof and shall be true in all material respects as of the Closing Date and shall be deemed to be made as of that date.

(a) Purchaser is and at the Closing shall be a limited partnership duly organized and validly existing and in good standing under the laws of the State of Delaware with full power and authority to own and purchase the Property and to take all actions required by this Agreement and each entity designated by Purchaser to take title to a Property in accordance with Section 21 of this Agreement shall be at Closing a limited partnership or limited liability company duly organized and validly existing and in good standing under the laws of the State of its formation with full power and authority to own and purchase such Property and to take all actions required by this Agreement.

(b) The execution, delivery and performance of this Agreement and consummation of the transaction hereby contemplated in accordance with the terms of this Agreement will not violate the partnership agreement or any material contract, agreement, commitment, order, judgment or decree to which Purchaser is a party or by which it is bound, and Purchaser has obtained (or will, by the Closing, have obtained) all consents necessary (whether from a governmental authority or other third party) in order for it to consummate the transactions contemplated hereby.

(c) The party or parties executing this Agreement on behalf of Purchaser have been duly authorized and are empowered to bind Purchaser to this Agreement and to take all actions required by this Agreement.

(d) Upon execution, this Agreement shall be the binding obligation of Purchaser, enforceable against Purchaser in accordance with the terms hereof.

(e) No action, suit or proceeding is pending or, to Purchaser's knowledge, threatened against Purchaser which would materially adversely affect Purchaser's financial condition or its ability to fully perform its obligations pursuant to this Agreement.

(f) The execution and delivery of this Agreement and the performance by Purchaser of its obligations hereunder do not and will not conflict with or violate any law, rule, judgment, regulation, order, writ, injunction or decree of any court or governmental or quasi-governmental entity with jurisdiction over Purchaser, including, without limitation, the United States of America, the State of New York or any political subdivision of any of the foregoing, or any decision or ruling of any arbitrator to which Purchaser is a party or by which Purchaser is bound or affected and no consent of any governmental agency is required.

All representations, warranties and covenants of Purchaser contained in this Agreement or in any affidavit or other document delivered in connection herewith shall be true and correct in all material respects at Closing and shall survive the Closing for a period of six months, it being the intent of the parties hereto that Seller may not commence any legal action subsequent to such six (6) month period on account of the breach of any representations, warranties and covenants of the Purchaser.

If (x) any of the representations and warranties set forth above prove to have been false when made and such falsity is asserted in writing delivered by the Seller to Purchaser during the applicable survival period, and (y) the Seller incurs a Loss as a result of such falsity, then the Seller shall be entitled to recover such Loss through all remedies available at law or in equity. It is specifically acknowledged that, if the Closing occurs, Purchaser shall have no liability with respect to misrepresentations which were actually known by the Seller at Closing.

SECTION 13: PURCHASER'S INSTRUMENTS AT CLOSING

Section 13.01. On the Closing Date, Purchaser shall cause the Escrow Agent to deliver the Purchase Price to the Seller. Additionally, on the Closing Date, Purchaser shall execute and deliver to the Seller the following:

(a) the Assignment and Assumption Agreement in the form of Exhibit C attached hereto; and

(b) such other documents, instruments, resolutions and other material necessary to effect the transfer of title hereunder and reasonably requested by the Seller or the Title Insurer.

SECTION 14: INTENTIONALLY DELETED

SECTION 15: BROKERAGE

Section 15.01. Purchaser and the Seller represent and warrant to each other that no broker or person was in any way instrumental or had any part in bringing about this transaction except CB Richard Ellis, Inc., with respect to the Florida Properties, and Insignia/ESG, Inc., with respect to the Arizona Properties, whose fees the Seller shall pay in each case. Purchaser agrees that, should any claim be made for commissions with respect to the transactions contemplated hereby by any broker or person other than CB Richard Ellis, Inc. and Insignia/ESG Inc. arising by, through or on account of any act of Purchaser or Purchaser's representatives, Purchaser shall indemnify and hold the Seller harmless from and against any and all direct claims, liabilities, costs or expenses (including reasonable out-of-pocket attorneys' fees) in connection therewith. The Seller agrees that should any claim be made for commissions by any broker or person including, but not limited to CB Richard Ellis, Inc. and Insignia/ESG, Inc. arising by, through or on account of any act of any Seller or such Seller's representatives, Seller shall indemnify and hold Purchaser harmless from and against any and all claim, liability, cost or expense (including reasonable attorneys' fees) in connection therewith. The provisions of this paragraph shall survive the Closing and/or termination of this Agreement, but the provisions hereof shall not be deemed or construed as a covenant for the benefit of any third party.

Section 15.02. Each party being indemnified is hereinafter called "INDEMNITEE" and each party making such indemnity is hereinafter called "INDEMNITOR". Indemnitee agrees that in the event any Claims shall be made against Indemnitee for which indemnity is sought, Indemnitee shall, with due diligence and reasonable promptness, notify Indemnitor thereof and continue to give Indemnitor reasonably prompt written notice of all developments in connection therewith within the knowledge of Indemnitee. Indemnitor shall have the option of defending the Claim at Indemnitor's sole cost and expense, in the name of Indemnitee, and shall have the right to designate any counsel approved by Indemnitee (which approval shall not be unreasonably withheld or delayed) to defend such Claim, and if Indemnitor so elects to defend such Claim, Indemnitee shall have the right to participate and be represented by counsel or other representatives of Indemnitee's choosing in any Claim and all negotiations relative thereto, at its sole cost and expense. Indemnitor shall have the right to determine all matters in connection with the Claim (including, without limitation, all negotiations and the settlement thereof), except that no settlement of Indemnitee's liability may be made without Indemnitee's consent. If Indemnitee shall refuse to consent to any reasonable settlement, Indemnitee shall thereafter negotiate or defend the Claim at its own cost and expense, and Indemnitor will only be liable for the amount for which Indemnitor could have settled the Claim, as well as the costs and expenses incurred up to the date of the refusal by Indemnitee to consent to the settlement. Indemnitor shall arrange to provide such information to Indemnitee as is necessary to keep Indemnitee fully informed of all proceedings and Indemnitee shall have the right to examine Indemnitor's records relating to such proceedings during normal business hours. Indemnitee shall fully cooperate with Indemnitor and Indemnitor's attorneys at all stages of the Claim and shall promptly supply to Indemnitor and Indemnitor's attorneys all papers and evidence in Indemnitee's possession and other information within Indemnitee's knowledge pertinent to the Claim. Indemnitee shall produce at the appropriate place or places, at reasonable times, such witnesses under Indemnitee's control as may be reasonably requested by Indemnitor or Indemnitor's attorneys.

Section 15.03. If Indemnitor does not timely exercise Indemnitor's right to defend any claim, then after written notice to Indemnitor, Indemnitee shall defend the same with due diligence at the sole expense of Indemnitor. Section 15.04. The provisions of this agreement relating to indemnification shall survive the Closing or sooner termination of this agreement.

SECTION 16: CONDITIONS PRECEDENT TO CLOSING

Section 16.01. (a) Purchaser's obligations to close title under this Agreement on the Closing Date shall be subject to the satisfaction or existence of the following conditions precedent on or prior to the Closing Date:

(i) all of the Seller's representations and warranties made in this Agreement shall be true and correct in all material respects as of the Closing Date as if they were made on that date; provided, however, that Purchaser shall be obligated to consummate the Closing without any adjustment in the Purchase Price if Loss Events shall have occurred and the aggregate amount of the Material Losses resulting therefrom is equal to or less than the Material Loss Threshold. If any Loss Events shall have occurred and the aggregate amount of the Material Losses resulting therefrom exceeds the Material Loss Threshold, Purchaser shall have the option to (a) terminate this Agreement and demand the return of the Deposit (unless Seller shall agree to grant Purchaser a credit against the Purchase Price in an amount equal to the difference between the Material Loss Threshold and the aggregate amount of all Material Losses, in which case Purchaser may not terminate this Agreement; provided that Purchaser shall have no obligation to close if such credit is in an amount in excess of \$1,000,000), or (b) recover such Material Loss from Seller at Closing by means of an adjustment or credit to the Purchase Price; provided, however, that Purchaser's credit on account of Material

Losses determined prior to Closing shall not exceed \$1,000,000 pursuant to this clause (b) unless Seller expressly agrees to a credit exceeding \$1,000,000. Notwithstanding the foregoing, if Purchaser claims a credit against the Purchase Price of more than \$1,000,000, on account of Material Losses Seller shall have the right to terminate this Agreement, the Deposit shall be returned to Purchaser and thereafter neither party shall have any obligation to the other except with respect to those provisions expressly stated to survive the termination of this Agreement and except that Seller shall reimburse Purchaser for a portion of its expenses actually incurred in connection with this transaction up to a maximum amount of \$25,000. In the event that there is a dispute at Closing as to whether a Material Loss has occurred, the Closing shall occur without adjustment regarding same, provided, however, that a portion of the Purchase Price equal to the disputed amount (but in no event more than \$1,000,000) shall be held in escrow by the Escrow Agent pending resolution of the dispute and in the event that a Material Loss shall be determined post-closing to have occurred, the amount held in escrow shall be disbursed to Purchaser in accordance with Section 10.26 of this Agreement to the extent of the Material Loss as finally determined and the balance, if any, shall be returned to Seller. Notwithstanding the foregoing, if the amount of the credit claimed by Purchaser on account of Material Losses exceeds \$1,000,000 and there is a dispute at Closing as to the amount of such Material Losses, Purchaser may elect either (x) to terminate this Agreement and receive a return of the Deposit or (ii) require Seller to escrow \$1,000,000 as provided above pending resolution of the dispute in which case Purchaser shall not be entitled to a recovery or credit in excess of \$1,000,000 with respect to such disputed Material Losses claim for which an escrow is created at Closing under the immediately preceding sentence.

(ii) the Seller shall have performed all material obligations and agreements undertaken by it herein to be performed (including, without limitation Section 11 of this Agreement) and shall have delivered all documentation required to be delivered by Seller hereunder at or prior to the Closing Date;

(iii) the Title Insurer shall be ready, willing and able to insure title subject only to the Permitted Encumbrances.

(iv) the aggregate amount of claims under Material Property Litigations shall be less than the Material Litigation Threshold. If, on the Closing Date, there are Material Property Litigations which involve claims that exceed the Material Litigation Threshold, Purchaser shall have the right to terminate this Agreement and receive the return of the Deposit.

(v) The aggregate amount of any Material Adverse Changes shall be less than the MAC Threshold. If, on the Closing Date, Material Adverse Changes shall have occurred which exceed the MAC Threshold, Purchaser shall have the right to terminate this Agreement and receive the return of the Deposit.

Except as expressly set forth herein to the contrary, in the event that any of the conditions to Purchaser's obligations to close title under this Agreement are not satisfied on the Closing Date, Purchaser may (but shall have no obligation to), in its sole discretion, adjourn the Closing for a period not to exceed two (2) months, during which period Seller will use commercially reasonable efforts to satisfy such conditions precedent, or terminate this Agreement in which case Purchaser may recover the Deposit and this Agreement shall be of no further force and effect except with respect to those provisions expressly stated to survive the termination of this Agreement.

(b) The Seller's obligations to close title under this Agreement on the Closing Date shall be subject to the satisfaction of the following conditions precedent on the Closing Date:

(i) all of Purchaser's representations and warranties made in this Agreement shall be true and correct in all material respects as of the Closing Date as if they were made on that date; and

(ii) Purchaser shall have performed all material obligations and agreements undertaken by it herein to be performed at or prior to the Closing Date.

SECTION 17: CLOSING

Section 17.01. The closing of title to the Property (the "CLOSING") shall take place at the offices of Brown & Wood LLP, One World Trade Center, New York, New York at 10:00 a.m. EDT on September 27, 1999 (time being of the essence).

SECTION 18: EXPENSES

Section 18.01. Each party will bear its own legal expenses in connection with this transaction. Purchaser shall pay the cost of any title insurance policies and any transfer taxes, documentary stamp taxes and other recording

fees due in connection with the Properties, except Seller shall pay up to a maximum amount of \$400,000 on account of the Florida documentary stamp taxes and Purchaser's owner's title insurance premiums (not including premiums for endorsements) for the Florida Properties. Seller agrees that Purchaser shall have the right to allocate the Purchase Price among the Properties in its sole and absolute discretion. Except as otherwise expressly set forth herein, Purchaser shall pay all other Purchaser costs and Purchaser expenses of preparing for and concluding this transaction, including the cost of surveys, engineering reports and environmental obtained by Purchaser and Purchaser's legal use opinions, if any, and the like.

SECTION 19: NOTICES

Section 19.01. All notices, requests and demands to be made hereunder to the parties hereto shall be in writing (at the addresses set forth below) and shall be given by any of the following means: (a) personal delivery (including, without limitation, overnight delivery, courier or messenger services); (b) telecopying (if electronically confirmed in writing,) or (c) registered or certified, first-class United States mail, postage prepaid, return receipt requested. Notice by a party's counsel shall be deemed to be notice by such party. All notices to the Seller shall be sent to the address set forth below. Such addresses may be changed by notice to the other parties given in the same manner as provided above. Any notice, demand or request sent (x) pursuant to subsection (a) shall be deemed received upon such personal delivery, (y) pursuant to subsection (b) shall be deemed received on the day it is dispatched by telecopier and (z) pursuant to subsection (c) shall be deemed received upon delivery or the date on which delivery was refused.

If to Purchaser:

Praedium Performance Fund IV, L.P.
11 Madison Avenue
New York, New York
Attention: Seth Lieberman
Telecopy: (212) 325-8258

With copies to:

Sidley & Austin
875 Third Avenue
New York, N.Y. 10022
Attention: Alan S. Weil, Esq.
Telecopy: (212) 906-2021

To Seller: c/o Metropolitan Partners, LLC
225 Broadhollow Road
Melville, NY 11747-0983
Attention: Jason Barnett
Telecopy: (516) 622-6760

With copies to:

c/o Metropolitan Partners LLC
10 E. 50th Street, 17th Floor
New York, New York
Attention: Ms. Diane Conniff
Telecopy: (212) 715-6535

With copies to:

Brown & Wood LLP
One World Trade Center
New York, NY 10048-0557
Attention: William H. Boericke, Esq.
Telecopy: (212) 839-5599

SECTION 20: DEFAULT

Section 20.01. Purchaser's Default. If Purchaser shall be in default, hereunder and fail to close the transaction contemplated hereunder, provided Purchaser has not exercised any of its rights to terminate this Agreement, then the Seller shall have the right, if and only if Seller is ready, willing and able to convey title to the Properties in accordance with the terms of this Agreement, to treat this Agreement as having been breached by Purchaser and the Seller's sole remedy on account of such breach shall be the right to terminate this Agreement by written notice to Purchaser or Purchaser's attorney. Upon such termination (a) Purchaser shall forfeit all rights and claims with respect to the Property pursuant to this Agreement and to the Deposit; and (b) Escrow Agent shall remit the Deposit to the Seller. The Seller and Purchaser hereby agree that payment of the Deposit to the Seller shall be deemed to be fair and adequate, but not excessive, liquidated damages based upon the following considerations which the Seller and Purchaser agree would constitute damages to the Seller for any default by Purchaser but which are impossible to quantify, to wit: (i) the removal of the Properties from the real estate market together with the uncertainty of obtaining a new purchaser at the same or greater purchase price; (ii) the expenses incurred by the Seller, including (but not by way of limitation) attorneys' fees, taxes, mortgage interest, and other items incidental to the maintenance of the

Properties until they are eventually sold; and (iii) all other expenses incurred by the Seller as a result of Purchaser's default.

In the event of such termination, Purchaser shall immediately return all due diligence material, reports and studies delivered to Purchaser by the Seller and this Agreement shall be of no further force and effect except for those provisions expressly stated to survive termination of this Agreement.

Section 20.02. The Seller's Default. Except as expressly set forth in Sections 16.01 and 10.26 hereof, in the event that the Seller is in default by reason of a material breach of the Seller's representations, covenants or warranties and the same cannot be cured within thirty (30) days without harm to Purchaser, subject to the immediately succeeding sentence Purchaser's sole remedy shall be to demand the immediate return of the Deposit with interest thereon and the cancellation of this Agreement. Except as expressly set forth in Sections 16.01 and 10.26 hereof, in the event the Seller is in default by reason of (a) Seller's failure to deliver title in accordance with the terms of this Agreement for more than ten (10) calendar days after receipt of written notice thereof has been given to the Seller or Seller's failure to satisfy any of the conditions precedent set forth in Section 16.01 hereof (subject to any adjournments expressly provided for in this Agreement) or (b) Seller's intentional or unintentional breach of Seller's covenants, representations, or warranties, Purchaser's remedies shall include the right to (x) immediate return of the Deposit and the cancellation of this Agreement and reimbursement by Seller of all of Purchaser's out-of-pocket due diligence expenses actually incurred or (y) an action to specifically enforce this Agreement, provided, however, that Purchaser may bring an action to specifically enforce this Agreement only with respect to all of the Properties, it being understood that Purchaser may not and shall not be required under any circumstances acquire less than all of the Properties pursuant to this Agreement. The preceding sentence shall not be deemed to limit Purchaser's right to seek recovery up to the Maximum Reimbursement Obligation pursuant to Section 10.26 of this Agreement. Except as otherwise provided herein, Purchaser shall have no other rights or remedies against the Seller on account of a default. Except as expressly set forth herein to the contrary, the provisions of this Section 20.02 shall survive the Closing or earlier termination of this Agreement.

SECTION 21: ASSIGNMENT

Section 21.01. This Agreement and Purchaser's rights hereunder may not be assigned by Purchaser without the prior written consent of the Seller except that Purchaser may designate, no later than five (5) days prior to Closing, wholly owned subsidiaries or Affiliates as the entities to take title to the Properties but such designation shall not relieve Purchaser with respect to any liability which may survive (but, jointly and severally with its assignees) the Closing or termination of this Agreement in accordance with the terms hereof. To the extent that Purchaser assigns its rights in accordance with this Section 21.01, Seller's post-closing obligations and Purchaser's rights shall run to the benefit of such assignee(s).

SECTION 22: INDEMNITY

Section 22.01. Seller shall indemnify and hold Purchaser harmless from any loss, cost or damage suffered by Purchaser on account of or in connection with any of the litigations set forth on Schedule 13 attached hereto, which obligation shall survive Closing.

SECTION 23: COUNTERPARTS

Section 23.01. This Agreement may be executed in counterparts. The signatures of the parties who sign different counterparts of this Agreement or any of the instruments executed to effectuate the purposes of this Agreement shall have the same effect as if those parties had signed the same counterparts of this Agreement or of any such instrument.

SECTION 24: INTENTIONALLY DELETED

SECTION 25: MISCELLANEOUS

Section 25.01. Subject to Section 21 hereof, this Agreement shall be binding upon and shall inure to the benefit of the Seller and Purchaser and their respective successors and assigns.

Section 25.02. This Agreement shall be governed by and construed in accordance with the laws of the State of New York. This Agreement shall be construed without regard to any presumption or other rule requiring construction against the party causing this Agreement to be drafted. If any words or phrases in this Agreement shall have been stricken out or otherwise eliminated, whether or not any other words or phrases have been added, this Agreement shall be construed as if the words or phrases so stricken out or otherwise eliminated were never included in this Agreement and no implication or inference shall be drawn from the fact that said words or phrases were so stricken out or otherwise eliminated. All terms and words used in this Agreement, regardless of the number or gender in which they are used, shall be deemed to include any other number and any other gender as the context may

require.

Section 25.03. The headings of the several Sections contained in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Agreement or the intent of any provision thereof.

Section 25.04. The invalidity or unenforceability of any provision of this Agreement shall not affect or impair any other provision of this Agreement.

Section 25.05. This Agreement contains the entire agreement between the Seller and Purchaser, and any and all prior understandings and dealings heretofore had are merged herein and any agreement hereafter made shall be ineffective to change, modify or discharge this Agreement in whole or in part unless such agreement hereafter made is in writing and signed by the Seller and Purchaser.

Section 25.06. Purchaser shall have no right to record this Agreement or a memorandum hereof. If Purchaser shall so record this Agreement or a memorandum, Purchaser shall be in default of the terms and conditions of this Agreement.

Section 25.07. All judicial actions, suits or proceedings brought against either party with respect to its obligations, liabilities or any other matter under or arising out of or in connection with this Agreement or for recognition or enforcement of any judgment rendered in any such proceedings may be brought in any trial or appellate state or federal court of competent jurisdiction in the City of New York. By execution and delivery of this Agreement, each party hereto accepts, generally and unconditionally, the non-exclusive jurisdiction of such courts and irrevocably waives, and agrees not to plead or claim, any objection that it may ever have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court. Each party hereby irrevocably waives trial by jury and any objections to jurisdiction or venue, including without limitation any objection to the laying of venue or based on the ground of forum non conveniens, which it may now or in the future have to the bringing of any such action or proceeding in any such jurisdiction.

SECTION 26: ESCROW AGENT

Section 26.01. The Seller and Purchaser hereby designate Commonwealth Land Title Insurance Company as "ESCROW AGENT" to receive and hold the Deposit delivered herewith by Purchaser in accordance with Section 3 hereof, and Escrow Agent agrees to act as such Escrow Agent subject to the provisions of this Section 26.

Section 26.02. The Deposit shall be deposited in an interest bearing account at any federally insured banking institution. From and after the date of a default by either party, all interest on the Deposit or the remaining portion thereof shall be paid to the non-defaulting party.

Section 26.03. On receipt by Escrow Agent of a statement executed by the Seller and Purchaser that title to the Property has closed under this Agreement, Escrow Agent shall promptly deliver such Deposit to Purchaser together with any interest accrued thereon and the Deposit plus interest shall be credited against the Purchase Price.

Section 26.04. On receipt by Escrow Agent of a statement executed by Purchaser prior to, on or after the Closing Date that title to the Properties has not closed under this Agreement because of a default by any Seller under this Agreement or because of any Seller's inability to convey title to the Properties in accordance with the provisions of this Agreement or because any contingency contained in this Agreement has not been satisfied or waived, Escrow Agent shall, within five (5) Business Days, deliver a copy of said statement to the Seller and return such Deposit to Purchaser on the fifth (5th) Business Day after receipt by the Seller of said statement unless Escrow Agent, prior to such return, receives from the Seller a statement contesting the accuracy of Purchaser's statement and demanding retention of said Deposit by Escrow Agent.

Section 26.05. On receipt by Escrow Agent of a statement executed by the Seller prior to, on or after the Closing Date that title to the Property has not closed under this Agreement because of a default by Purchaser under this Agreement, Escrow Agent shall within five (5) Business Days deliver said statement to Purchaser and deliver such Deposit to the Seller on the fifth (5th) Business Day after receipt by Purchaser of such statement unless Escrow Agent, prior to such delivery, receives from Purchaser a statement contesting the accuracy of the Seller's statement and demanding retention of said Deposit by Escrow Agent.

Section 26.06. On receipt by Escrow Agent of a statement from the Seller or Purchaser, as the case may be, under subparagraph 26.04 or 26.05 above, Escrow Agent shall retain the Deposit and thereafter deliver the same to either the Seller or Purchaser as the Seller or Purchaser may direct by a statement executed by them both, provided if there is any dispute with respect

to the Deposit, Escrow Agent may immediately and with notice to the Seller and Purchaser, surrender said Deposit to a court of competent jurisdiction for such disposition as may be directed by such court.

Section 26.07. Upon delivery of the Deposit to either Seller, Purchaser or a court of competent jurisdiction under and pursuant to the provisions of this Section, Escrow Agent shall be relieved of all liability, responsibility or obligation with respect to or arising out of the Deposit and any and all of its obligations arising therefrom.

Section 26.08. The Escrow Agent shall not be liable for any error of judgment or for any act done or omitted by it in good faith or for anything which it may in good faith do or refrain from doing in connection herewith or for any negligence other than its gross negligence, nor shall the Escrow Agent be answerable for the misconduct (except for willful misconduct) of its agents, attorneys or employees if they be selected with reasonable care. The Escrow Agent is authorized to act upon any document believed by it to be genuine and to be signed by the proper party or parties and will incur no liability in so acting.

Section 26.09. Seller and Purchaser acknowledge that Escrow Agent is acting solely as a stakeholder. Seller and Purchaser shall jointly and severally indemnify and hold the Escrow Agent harmless from and against any cost, expenses, claims or liabilities arising in connection with its performance hereunder as Escrow Agent, except to the extent caused by Escrow Agent's gross negligence or willful misconduct. Section 26.10. The Escrow Agent has executed this Agreement for the sole purpose of agreeing to act as such in accordance with the terms of this Agreement.

SECTION 27: CONFIDENTIALITY/PUBLICATION

Section 27.01. Except as may be required by law or as may be necessary to effectuate the contemplated transaction or except as set forth below, both the Seller and Purchaser, individually and on behalf of their representatives, agree that during the Contract Period they and their respective representatives shall hold both the terms and conditions of this Agreement and its existence as confidential information and will not except as required by law or subpoena, disclose such terms, conditions or existence or the fact that the negotiations are taking place, to any third party without the other's consent. To the extent that either party desires to make any public relations releases (other than required government and SEC filings) during the Contract Period, the other party's written consent shall be required, which consent shall not be unreasonably withheld or delayed. Notwithstanding anything to the contrary herein set forth, in the event of a breach by either party under this Section 27, the other party shall be entitled to seek such remedies as may be available in equity or at law including, without limitation, damages. This Section shall survive for one (1) year after the termination of this Agreement in the event that the Closing does not occur. This Section shall constitute a binding and enforceable agreement under applicable law.

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

SELLER

EAST BROADWAY 5151 LIMITED
PARTNERSHIP

By: East Broadway 5151 Limited
Partnership, its general partner

By: Metropolitan Operating
Partnership, L.P.,
its general partner

By: Metropolitan Partners, LLC,
its general partner

By: /s/ Scott Rechler

Name:
Title:

METROPOLITAN OPERATING PARTNERSHIP

By: Metropolitan Partners, LLC, its
general partner

By: Metropolitan Partners, LLC

By: /s/ Scott Rechler

Name:
Title:

5750 ASSOCIATES LIMITED PARTNERSHIP

By: 5750 Associates Limited
Partnership, its general
partner

By: Metropolitan Operating
Partnership, L.P. its general
partner

By: Metropolitan Partners,
LLC, its general partner

By: /s/ Scott Rechler

Name:
Title:

MAITLAND ASSOCIATES, LTD.

By: Metropolitan Operating
Partnership, L.P., its general
partner

By: Metropolitan Partners, LLC,
its general partner

By: /s/ Scott Rechler

Name:
Title:

MAITLAND WEST ASSOCIATES LIMITED
PARTNERSHIP

By: Metropolitan Operating
Partnership, L.P., its general
partner

By: Metropolitan Partners, LLC,
its general partner

By: /s/Scott Recchler

Name:
Title:

PURCHASER:

PRAEDIUM PERFORMANCE FUND IV, L.P.

By: Praedium Performance Partners LLC,
its general partner

By: /s/ Seth Lieberman

Name:
Title:

ESCROW AGENT

COMMONWEALTH LAND TITLE INSURANCE
COMPANY

By: /s/ William N. Deatly

Name:
Title:

SCHEDULE 1

List of Personal Property

SCHEDULE 2

Brokerage Agreements

SCHEDULE 13

Litigation

Exhibit A: Description of the Land

Exhibit B:

DEED

When recorded, return to:

(Space above this line for Recorder's use)

SPECIAL WARRANTY DEED

For the consideration of Ten Dollars and other valuable consideration, the receipt and sufficiency of which are acknowledged, _____, a _____ limited partnership ("Grantor"), conveys to _____, a _____ [limited liability company], the following described real property situated in _____, together with all buildings, structures, improvements and fixtures thereon and all rights and privileges appurtenant thereto:

See the legal description set forth in Exhibit "A" attached and incorporated by this reference (the "Property").

SUBJECT TO only those matters set forth in Exhibit "B" attached and incorporated by this reference.

Grantor binds itself and its successors to warrant and defend the title to the Property against all acts of Grantor and no other, subject to only the matters set forth above.

Dated this ____ day of _____, 1999.

Grantor: _____

By _____, its general partner

By _____
Name:
Title:

STATE OF _____)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this ____ day of June, 1999, by as of _____, on behalf of the partnership.

My Commission Expires:

Exhibit C

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT (this "Assignment"), dated this _____ day of _____, 199_, is made by and among _____ (the "Assignor") and _____ (the "Assignee").

WHEREAS, Assignee has this day purchased Assignor's interest in the real property legally described on the attached Exhibit A (the "Property"); and

WHEREAS, the execution and delivery of this Assignment is a condition precedent to the purchase by the Assignee of the Property;

NOW, THEREFORE, in consideration of the purchase and sale of the Property, and for other good and valuable consideration, Assignor agrees as follows (unless otherwise defined, all capitalized terms shall have the meanings set forth in the Purchase and Sale Agreement dated as of _____, 199_ between Assignor and Assignee (the "Purchase and Sale Agreement"));

1. Assignor hereby grants, transfers and assigns to Assignee and Assignee accepts from Assignor, without representation, warranty or covenant, all the right, title and interest of Assignor in and to the following (the "Assigned Assets"):

(a) the fixtures, machinery, equipment, and other items of personal property and fixtures owned by the Assignor and located in or attached to the Property, including, but not limited to the items set forth on Schedule 1 to the Purchaser and Sale Agreement, and all warranties and guarantees, to the extent in Assignor's possession or control, relating to the foregoing or the Property or any portion thereof, and used in connection with the ownership or operation of the Property;

(b) all leases, notices and other agreements with respect to the use and occupancy of the Property, together with all amendments and modifications thereto and any guaranties provided thereunder and rents, percentage rents, additional rents, including prepaid rents (to the extent attributable to the period following the date hereof) reimbursements, profits, income, receipts and the amounts required to be deposited under any such leases in the nature of security for the performance of any tenant's obligations thereunder;

(c) the right to use any names by which any of the Property is commonly known and all goodwill, if any, related to said names;

(d) all permits, licenses, approvals, and certificates relating to the Property and the foregoing personal property and all of the Assignor's right, title and interest in and to (i) those contracts (including, without limitation, management contracts) and agreements for the servicing, maintenance, repair or operation of the Property and (ii) the brokerage agreements listed on Schedule 2 to the Purchase and Sale Agreement relating to the Leases;

(e) all books, records, promotional material, tenant data, past and current rent rolls, market studies, keys, plans and specifications (other than the general ledger account of the Assignor) used in connection with the use or operation of the Property or personal property herein described in each case to the extent in Assignor's possession or control; and

(f) all other rights, privileges, and appurtenances, if any related to the ownership, use or operation of the Property or personal property herein described, including, without limitation, any real estate tax refunds relating to the Property allocable to the period following the date hereof. The foregoing are collectively referred to herein as the "Assigned Assets".

The foregoing assignment is made without recourse, and on an "as-is, where-is, with all faults" basis, without any representation or warranty by Assignor except as may be expressly set forth in the Purchase and Sale Agreement.

2. Assignor shall retain full responsibility for all the obligations under the Assigned Assets accruing prior to the date hereof and Assignor agrees to indemnify and hold Assignee harmless from any claims, liabilities or costs arising therefrom.

3. Assignee agrees to assume full responsibility for all the obligations under the Leases accruing on or after the date hereof and Assignee agrees to indemnify and hold Assignor harmless from any claims, liabilities or costs

arising therefrom.

4. This instrument may be executed in counterparts, each of which shall constitute an original and all of which, taken together, shall constitute one and the same instrument.

5. This Assignment shall be governed by and construed in accordance with the laws of the State of New York. This Assignment shall be construed without regard to any presumption or other rule requiring construction against the party causing this Agreement to be drafted.

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

ASSIGNOR:

ASSIGNEE:

By: _____

By: _____
Name:

By: _____
Name:
Title:

Exhibit D

FIRPTA CERTIFICATE

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest by ("Seller"), Seller hereby certifies the following:

1. Seller is not a foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);
2. Seller's U.S. employer identification number is (_____) and

3. Seller's principal place of business is (_____).

Seller understands that this certification may be disclosed to the Internal Revenue Service by transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of Seller.

By: _____

By: _____
Name:
Title:

Subscribed and sworn to
before me this ____ day of
_____, 199_.

Notary Public

Exhibit E
Arizona Contract Estoppel

Exhibit F
Florida Estoppels

Property	Tenant	Premises
1. Maitland Forum	ITT	Suites 140 and 240
2. Maitland Forum	Honor Technology	Suites 105, 111, 113, 115, 180, 181, 225, 231, 235, 237 and storage
3. Maitland Forum	Apollo	Suites 200 and 325
4. Maitland Forum	Florida Power	Suites 306, 312 and entire 14th Floor
5. 5750 Major Blvd.	Apollo	Suite 300

PURCHASE AND SALE AGREEMENT

BY AND BETWEEN:

METROPOLITAN OPERATING PARTNERSHIP, L.P.

(the "SELLER")

and

HUB PROPERTIES TRUST

(the "PURCHASER")

Dated: as of July 30, 1999

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PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this "AGREEMENT") made as of the 30th day of July, 1999 by and between METROPOLITAN OPERATING PARTNERSHIP, L.P., having an address at c/o Metropolitan Partners, LLC, 225 Broadhollow Road, Melville, New York 11747 (the "SELLER") and HUB PROPERTIES TRUST, having an address at 400 Centre Street, Newton, MA 02458 (hereinafter, the "PURCHASER").

RECITALS

- A. The Seller is the fee owner of the Property (as hereinafter defined).
- B. Purchaser desires to purchase the Property and Seller desires to sell the same to Purchaser pursuant to the terms hereof.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, do hereby agree as follows:

SECTION 1: SUBJECT OF SALE

Section 1.01. Subject to and in accordance with the terms and conditions of this Agreement, the Seller shall transfer and convey to Purchaser, all of the Seller's right, title and interest in and to the following:

- (a) (i) those certain parcels of real property situate, lying and being in the State of Arizona and being more particularly described on EXHIBIT A attached hereto (the "LAND"), and (ii) all of the improvements located on the Land (the "IMPROVEMENTS");
- (b) all rights, privileges, grants and easements appurtenant to the Seller's interest in the Land and Improvements, including, without limitation, all of the Seller's right, title and interest in and to the Land lying in the bed of any public street, road or alley, all mineral and water rights and all easements, licenses, covenants and rights-of-way or other appurtenances used in connection with the beneficial use and enjoyment of the Land and Improvements (the Land and Improvements and all such rights, privileges, easements, grants and appurtenances are sometimes referred to herein as the "REAL PROPERTY");
- (c) the fixtures, machinery, equipment, and other items of personal property owned by the Seller, set forth on Schedule 1 attached hereto and made a part hereof (the "PERSONAL PROPERTY"), and used in connection with the ownership or operation of the Real Property;

(d) that certain lease, dated as of June 25, 1999, by and between Seller and Blue Cross and Blue Shield of Arizona and other agreements with respect to the use and occupancy of the Real Property, together with all amendments and modifications thereto and any guaranties provided thereunder ("the LEASE") a copy of which is attached hereto as EXHIBIT B, and rents, additional rents, reimbursements, profits, income, receipts and the amount deposited (the "SECURITY DEPOSIT") under the Lease in the nature of security for the performance of any Tenant's obligations thereunder;

(e) the right to use any names by which any of the Real Property is commonly known and all goodwill, if any, related to said names;

(f) all governmental permits, licenses, approvals, and certificates relating to the Real Property and the Personal Property (collectively, the "PERMITS AND LICENSES") and all of the Seller's right, title and interest in and to (i) those contracts (including, without limitation, management contracts) and agreements for the servicing, maintenance, repair and operation of the Real Property (the "SERVICE CONTRACTS") and (ii) the brokerage agreements listed on Schedule 2 attached hereto and made a part hereof (the "BROKERAGE AGREEMENTS") relating to the Lease;

(g) all books, records, promotional material, tenant data, past and current rent rolls, market studies, keys, plans and specifications, owned by the Seller (other than the general ledger account of the Seller) and which are used in connection with the use and operation of the Real Property or Personal Property (collectively, the "BOOKS AND RECORDS"); and

(h) all other rights, privileges, and appurtenances owned by the Seller, if any, and directly related to the ownership, use or operation of the Real Property or Personal Property, including, without limitation, any real estate tax refunds relating to the Property.

The Real Property, the Personal Property, the Leases, the Security Deposits, the Permits and Licenses, the Service Contracts, the Brokerage Agreements, the Books and Records, and all other property interests relating or appurtenant thereto being conveyed hereunder are hereinafter collectively referred to as the "PROPERTY" or the "PROPERTIES".

SECTION 2: DEFINITIONS

Section 2.01. For all purposes of this Agreement, except as otherwise expressly provided or unless the context clearly indicates a contrary intent:

(i) the capitalized terms defined in this Section have the meanings assigned to them in this Section, and include the plural as well as the singular; and

(ii) the words "herein", "hereof", and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Section or other subdivision.

"ACTUAL KNOWLEDGE" shall mean the actual knowledge of Metropolitan Operating Partnership, L.P., obtained (i) while performing due diligence prior to the merger (the "MERGER"), consummated on May 24, 1999 (the date on which the Seller gained beneficial ownership of the Property), pursuant to that certain Agreement and Plan of Merger, dated as of December 8, 1998, among Metropolitan Partners LLC, Reckson Operating Partnership, L.P., Reckson Associates Realty Corp. and Tower Realty Trust, Inc., (ii) subsequent to the Merger and (iii) after consulting JDB Asset Management, Inc.

"ADDITIONAL DEPOSIT" shall mean the \$750,000.00 deposit described in Section 3.03 hereof, together with all interest earned thereon.

"AFFILIATE" as to any Person, shall mean any other Person which, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" of a Person means the power, directly or indirectly, either to (a) vote 50% or more of the securities having ordinary voting power for the election of directors of such Person or (b) direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

"ASSIGNMENT AND ASSUMPTION AGREEMENT" shall mean the Assignment and Assumption Agreement in the form of Exhibit D attached hereto.

"BOOKS AND RECORDS" shall have the meaning set forth in Section 1.01 hereof.

"BROKERAGE AGREEMENTS" shall have the meaning set forth in Section 1.01 hereof.

"BUSINESS DAY" shall mean any day other than a Saturday, Sunday or State of New York or Commonwealth of Massachusetts or federal legal holiday.

"CLOSING" shall mean the closing of the transactions contemplated by this Agreement.

"CLOSING DATE" shall mean the date when title to the Property is conveyed to Purchaser in accordance with the terms and conditions of this Agreement.

"CONTRACT PERIOD" shall mean the period commencing on the date of this Agreement and ending on the Closing Date.

"DATA ROOM" shall mean the "data room" in the offices of Insignia/ESG, Inc. at 2739 East Camelback Road, Suite 200, Phoenix, Arizona or at such other location as the materials located therein relating to the Property may be located subsequent to the date of this Agreement.

"DEPOSIT" shall mean the deposit described in Section 3.03 hereof, together with all interest earned thereon.

"EARNEST MONEY" shall mean the \$250,000.00 deposit described in Section 3.02 hereof, together with all interest earned thereon.

"ENVIRONMENTAL LAWS" shall mean all foreign, federal, state and local laws, regulations, rules and ordinances relating to pollution or protection of the environment, including, without limitation, laws relating to releases or threatened releases of hazardous substances, oils, pollutants or contaminants into the indoor or outdoor environment (including, without limitation, ambient air, surface water, groundwater, land, surface and subsurface strata) or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, release, transport or handling of hazardous substances, oils, pollutants or contaminants expressly intending to include without limitation asbestos.

"ESCROW AGENT" shall mean Commonwealth Land Title Insurance Company.

"LEASE" shall have the meaning set forth in Section 1.01 hereof.

"LOSS" or "LOSSES" shall mean actual damage, loss, cost or expense (including reasonable costs of investigation incurred in defending against and/or settling such damage, loss, cost or expense or claim therefor and any amounts paid in settlement thereof) imposed on, or incurred by Seller.

"MATERIAL LOSS" or "MATERIAL LOSSES" shall mean actual damage, loss, cost or expense (including reasonable costs of investigation incurred in defending against and/or settling such damage, loss, cost or expense or claim therefor and any amounts paid in settlement thereof) in excess of Twenty Thousand Dollars (\$20,000.00) imposed on, or incurred by, Purchaser in connection with any false or inaccurate representation made by Seller in Section 10 of this Agreement.

"MERGER" shall have the meaning set forth in the definition of Actual Knowledge.

"PERMITS AND LICENSES" shall have the meaning set forth in Section 1.01 hereof.

"PERMITTED ENCUMBRANCES" shall mean those restrictions, covenants, agreements, easements and other matters and things of record set forth on Schedule 4, attached hereto.

"PERSON" shall mean any individual, partnership, limited liability company, corporation, trust, governmental entity or any other type of entity.

"PERSONAL PROPERTY" shall have the meaning set forth in Section 1.01 hereof.

"PROPERTY" shall have the meaning set forth in Section 1.01 hereof.

"REAL ESTATE TAXES" shall mean real estate taxes and any general or special assessments imposed upon the Real Property, including but not limited to any general or special assessments of any governmental or municipal authority or tax district, including, without limitation, any assessments levied for public benefits to the Real Property.

"RENTS" shall mean, collectively, all minimum rent and additional rent (including all escalations and tax and expense pass-throughs) payable by the Tenant under the Lease.

"SECURITY DEPOSITS" shall have the meaning set forth in Section 1.01 hereof.

"SERVICE CONTRACTS" shall have the meaning set forth in Section 1.01 hereof.

"TAX BILLS" shall mean the two most recent real estate tax bills with respect to the Property, copies of which were previously delivered to Purchaser.

"TAX YEAR" shall have the meaning set forth in Section 7.01(a) hereof.

"TENANT" shall mean Blue Cross and Blue Shield of Arizona.

"TENANT ESTOPPEL" shall have the meanings set forth in Section 22.01 hereof.

"TITLE INSURER" shall mean Commonwealth Land Title Insurance Company or any other title company acceptable to Purchaser and the Seller and licensed in the State of Arizona.

SECTION 3: TRANSFER OF PROPERTY; PURCHASE PRICE

Section 3.01. The Seller agrees to sell to Purchaser, and Purchaser agrees to purchase from the Seller, subject to and in accordance with the terms, provisions, covenants and conditions set forth in this Agreement, all of the Seller's right, title and interest in and to the Property for a purchase price of EIGHTEEN MILLION TWO HUNDRED FIFTY THOUSAND (\$18,250,000) DOLLARS (the "PURCHASE PRICE").

Section 3.02. Purchaser has deposited the sum of TWO HUNDRED FIFTY THOUSAND (\$250,000.00) DOLLARS (the "EARNEST MONEY"), with the Escrow Agent pursuant to Section 26 hereof. The Earnest Money shall be refunded to Purchaser if Purchaser terminates this Agreement in accordance with Section 4 below on or before July 16, 1999. If Purchaser does not terminate this Agreement on or before July 16, 1999 (time being of the essence), the Earnest Money shall automatically become non-refundable except as expressly set forth herein to the contrary. Section 3.03. On or before 5:00 p.m. EDT on the first (1st) business day following the date on which this Agreement is mutually executed and delivered (time being of the essence), Purchaser shall deliver to Seller a non-refundable (except as expressly set forth herein to the contrary) additional deposit of SEVEN HUNDRED FIFTY THOUSAND (\$750,000.00) DOLLARS (the "ADDITIONAL DEPOSIT"; the Earnest Money and the Additional Deposit being hereinafter sometimes collectively referred to as the "DEPOSIT. If the Additional Deposit is not delivered to Escrow Agent on or before 5:00 p.m. EDT on the first (1st) business day following the date on which this Agreement is mutually executed and delivered (time being of the essence), Seller may terminate this Agreement effective immediately upon written notice to Purchaser and, upon the return of the Earnest Money to Purchaser, this Agreement shall be of no further force and effect, except for those provisions expressly intended to survive the termination of this Agreement.

Section 3.04. On the Closing Date, Purchaser shall deliver to Escrow Agent the balance of the Purchase Price, subject to adjustments and prorations set forth herein, by wire transfer.

SECTION 4: DUE DILIGENCE; "AS IS" SALE

Section 4.01. Seller has made available to Purchaser in the Data Room the most current survey of the Property, the most recent title insurance policy or commitment for the Property and any environmental reports relating to the Property obtained in connection with the Merger and such other documents, correspondence and memoranda as may relate to the Property to the extent that such information is in Seller's possession or control (such materials being hereinafter collectively referred to as the "PROPERTY FILES"). Notwithstanding the foregoing, Seller has received subsequent to the Merger and placed in storage certain files and other materials which may contain information relating to the Properties. Seller has not examined these materials and does not intend to do so. Seller has no Actual Knowledge that anything contained in these materials differs from the information contained in the Property Files and Seller has not removed any information from the Property Files in order to limit Purchaser's ability to perform accurate due diligence on the Property. By causing the assembly of the Property Files, Seller has attempted to make available to Purchaser such information and materials as has been utilized by Seller in its operation of the Property. Purchaser has examined the Property and reviewed the Property Files and Purchaser is satisfied with the scope of its due diligence and agrees to accept the Property "AS IS".

Section 4.02. During the Contract Period, Purchaser and its authorized agents, employees and other representatives, upon prior reasonable notice to the Seller, shall have reasonable access to the Property for the purpose of inspecting the Property and the Seller shall have the right to be present during such inspections. In connection therewith, Purchaser may cause one or more surveyors, attorneys, engineer, auditors, architects and other experts of its choice and at Purchaser's expense to (i) inspect the Property and any documents related to the Property, including, without limitation, all title and survey information, as-built plans and specifications, soil and environmental reports, the site plan, zoning approvals, building permits, Leases, Service Contracts, books, financial and accounting records and other agreements, and (ii) appraise and otherwise do that which, in the opinion of Purchaser, is necessary to determine the condition and value of the Property for the uses intended by Purchaser. Seller shall use reasonable efforts to arrange the availability to Purchaser during the Contract Period of all Leases, operating statements, Service Contracts and the most recent tax and utility bills relating to the Property, to the extent that such information is available in the Data Room. Purchaser agrees that it shall not contact the Tenant prior to the Closing without Seller's written approval, which approval

may be granted or withheld in Seller's sole and absolute discretion. All information obtained, received and/or reviewed by Purchaser during the Contract Period shall be kept strictly confidential in accordance with Section 27 of this Agreement. Purchaser shall not interfere in any material respect with the use or operation of the Property during such inspections. Purchaser shall indemnify, defend and hold harmless the Seller from and against any and all loss, costs, liability, damage and expenses, including, but not limited to, penalties, fines, court costs, disbursements and attorney's fees incurred in connection with or arising from injuries to persons or damage to property caused by Purchaser, its agents, employees, representatives or independent contractors with respect to such right of access and Purchaser shall deliver to Seller, upon Seller's request, evidence of contractual liability insurance maintained by Purchaser, insuring Purchaser's indemnity under this Section, at such time as Purchaser requests access to the Property in accordance with this Section 4.02. The provisions of this Section shall be binding upon Purchaser regardless of whether or not the transactions contemplated hereby are consummated and shall survive for a one-year period following the termination of this Agreement or the Closing.

SECTION 5: MATTERS TO WHICH THE SALE IS SUBJECT

Section 5.01. The Seller shall assign and convey or cause to be assigned and conveyed to Purchaser good and valid insurable fee title to the Property free and clear of any and all mortgages, liens, leases, encumbrances and easements, except:

(a) All taxes, water meter and water charges and sewer rents, accrued or unaccrued, fixed or not fixed, not yet due and payable as of the Closing Date;

(b) All zoning laws and building ordinances, resolutions, regulations and orders (other than violation orders) of all boards, bureaus, commissions and bodies of any municipal, county, state or federal government; and

(c) The Permitted Encumbrances.

SECTION 6: OUTSTANDING INTEREST OR UNMARKETABLE TITLE

Section 6.01. As a condition to the Closing, Title Insurer shall issue a fee title policy at the Closing to Purchaser insuring title to the Property subject only to the Permitted Encumbrances and otherwise in form and substance consistent with the marked title commitment attached hereto as Schedule 5.

Section 6.02. If at the Closing it should appear that the Property is affected by any outstanding interest or question of title which Purchaser is not obliged to take the Property subject to in accordance with the terms of this Agreement, and if such interest or question of title may, according to Seller's reasonable expectations, be removed as an objection to title within one (1) month from the scheduled Closing Date, the Seller may adjourn the Closing Date for a period not exceeding one (1) month for such purpose. If the Property shall be affected by any lien or encumbrance which is not a Permitted Encumbrance and which may be discharged by the payment of an ascertainable amount of money, and if Seller desires to discharge such lien or encumbrance (it being agreed that this Section 6.02 shall not be construed to require Seller to expend any funds to remove of record any lien or encumbrance which affects the Property at Closing), then Seller shall be entitled to a reasonable adjournment not to exceed two (2) weeks to accomplish the discharge thereof; further, subject to the reasonable approval of Purchaser and the Title Insurer, the Seller shall have the right, but not the obligation, to bond or escrow for such lien or encumbrance if such lien or encumbrance is not readily dischargeable. If after any applicable adjournment, the Seller shall be unwilling (with respect to a lien or encumbrance which may only be discharged by the payment of money) or unable to convey the Property in accordance with the provisions of this Agreement, Purchaser shall have the right to waive the defect in title and accept such title as the Seller can convey without a reduction in the Purchase Price or terminate this Agreement by written notice to the Seller whereupon the Deposit shall be immediately returned to Purchaser and the parties shall have no further rights or obligations hereunder.

SECTION 7: ADJUSTMENTS

Section 7.01. All items of income and expense relating to the Property, including the following, shall be apportioned between the parties as of midnight of the day immediately preceding the Closing Date so that the Seller shall be charged with and have the benefit of such items accrued through the day immediately preceding the Closing Date, and Purchaser shall be charged with or have the benefit of such items from and after the Closing Date:

(a) Rents (including base rent and additional rent). Any rent arrearages received by Purchaser after the Closing shall be adjusted post-Closing in accordance with the following order of priority: (i) first to the month in which the Closing occurred; (ii) then to the one month preceding the month in which the Closing occurred; and (iii) then to any month or months

following the month in which the Closing occurred. This provision shall survive the passage of title.

(b) Purchaser acknowledges that the Lease is a triple net lease, and, accordingly, there shall be no adjustment for taxes, utilities property taxes and service contracts. Seller shall be responsible for any allowance due Tenant under the Lease for tenant improvements. The amount of such allowance (less any amount previously funded to Tenant or Tenant's contractor) shall be a credit against the Purchase Price at Closing.

(c) charges payable under Service Contracts on the basis of the period covered by such payments.

SECTION 8: CASUALTY

Section 8.01. (a) If, during the Contract Period, all or a "MATERIAL PART" (as defined below) of any of the Improvements shall be damaged or destroyed by fire or other casualty, then, in any such event, Purchaser may, at its option, either (i) cancel this Agreement, whereupon subject Section 26, the Deposit shall be returned to Purchaser and the parties hereto shall be released of all obligations and liabilities of whatsoever nature in connection with this Agreement, or (ii) proceed to close the transactions contemplated by this Agreement, in which event all of the provisions of subsection 8.01(b) (i) and subsection 8.01(b) (ii) below shall apply.

(b) If, during the Contract Period, less than a material part of an Improvement shall be destroyed or damaged by fire or other casualty Purchaser shall nevertheless close title to all of the Property pursuant to all the terms and conditions of this Agreement, subject to the following: (i) Seller shall not (x) adjust and settle any insurance claims, or (y) enter into any construction or other contract for the repair or restoration of the damaged Property without Purchaser's prior written consent, which consent shall not be unreasonably withheld or delayed, and (ii) at the Closing, the Seller shall (1) pay over to Purchaser the amount of any insurance proceeds, to the extent collected by Seller in connection with such casualty, less the amount of the actual expenses incurred by Seller in connection with collecting such proceeds and making any repairs to the Property occasioned by such casualty pursuant to any contract, (2) assign to Purchaser all of Seller's right, title and interest in and to any insurance proceeds that are uncollected at the time of the Closing and that may be paid in respect of such casualty, and (3) pay to Purchaser the amount of any policy deductibles pursuant to the insurance policies covering such fire or other casualty and maintained by Seller (as opposed to insurance or self-insurance maintained by the Tenant). The Seller shall reasonably cooperate with Purchaser in the collection of such proceeds, which obligation shall survive the Closing.

(c) For the purpose of this Section, the phrase a "MATERIAL PART" of an Improvement shall mean that (i) the cost of repair or restoration is estimated by a reputable contractor selected by the Seller and reasonably satisfactory to Purchaser, to be in excess of One Million Eight Hundred Twenty Five Thousand and 00/100 Dollars (\$1,825,000.00) or (ii) Tenant shall have the right to cancel the Lease as a result of such casualty.

SECTION 10: CONDEMNATION PENDING CLOSING

Section 9.01. If, during the Contract Period, condemnation or eminent domain proceedings shall be commenced by any competent public authority against the Real Property or any part thereof, the Seller shall promptly give Purchaser written notice thereof. After notice of the commencement of any such proceedings (from the Seller or otherwise) and in the event that the taking of such property is "Material" (as hereinafter defined), Purchaser shall have the right (i) to accept title to the Property subject to the proceedings, and pay to the Seller the full Purchase Price, whereupon any award payable to the Seller shall be paid to Purchaser and the Seller shall deliver to Purchaser at the Closing all assignments and other documents reasonably requested by Purchaser to vest such award in Purchaser, or (ii) to rescind this Agreement and upon the return of the Deposit, this Agreement shall be null and void and neither party will have any further obligations hereunder. A taking shall be deemed to be Material if said taking would either (i) materially interfere with the use and operation of the Property for the contemplated use thereof, or (ii) reduce the estimated value of the Property (as reasonably determined by an independent M.A.I. appraiser chosen by Purchaser and reasonably satisfactory to the Seller) by \$500,000.00 or more or (iii) create a right of the Tenant to cancel the Lease as a result of such condemnation.

Section 9.02. In the event of a non-Material taking of any part of the Real Property on or before the Closing Date, Purchaser shall accept the Real Property subject to the proceedings and pay to the Seller the full Purchase Price, whereupon any award payable to Seller shall be delivered to Purchaser and Seller shall deliver to Purchaser at the Closing all assignments and other documents reasonably requested by Purchaser to vest such award in Purchaser.

SECTION 10: THE SELLER'S WARRANTIES AND REPRESENTATIONS

To induce Purchaser to enter into this Agreement and to accept the

Property from the Seller, the Seller makes the following representations and warranties, all of which the Seller represents are true in all material respects as of the date hereof and shall be true in all material respects as of the Closing Date and shall be deemed remade as of that date:

Section 10.01. (a) The execution, delivery and performance of this Agreement and consummation of the transaction hereby contemplated in accordance with the terms of this Agreement will not violate any material contract, agreement, commitment, order, judgment or decree to which any Seller is a party or by which it or the Property is bound.

(b) The Seller has the full right, power and authority to sell and convey the Property to Purchaser and the Seller has the full right, power and authority to sell and convey such Property to Purchaser as provided herein and to carry out such Seller's obligations hereunder. Seller shall deliver reasonable proof of same to Purchaser at Closing.

(c) Upon execution, this Agreement shall be the valid and binding obligation of Seller, enforceable against Seller in accordance with the terms hereof.

Section 10.02. (a) Prior to the date of this Agreement, Seller has delivered to Purchaser any environmental studies relating to the Real Property of which Seller has Actual Knowledge.

(b) To Seller's knowledge there is no civil, criminal or administrative action, suit, demand, claim, hearing, notice of violation, investigation or proceeding, pending relating to Seller or any portion of the Property or, to the Actual Knowledge of each Seller, threatened against any Seller or any portion of the Property relating in any way to the Environmental Laws or any regulation, code, plan, order, decree, judgment, injunction, notice or demand letter issued, entered, promulgated or approved thereunder.

Section 10.03. Except as set forth on Schedule 3 attached, to Seller's Actual Knowledge there are no existing or pending litigation, claims, condemnations or sales in lieu thereof with respect to any aspect of the Property nor, to the Actual Knowledge of Seller, have any actions, suits, condemnations, proceedings or claims been threatened or asserted. No attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings are pending or threatened against the Seller. In the event any proceeding of the character described in this Section is initiated or threatened against the Seller prior to the Closing Date, the Seller shall promptly advise Purchaser thereof in writing.

Section 10.04. Seller has delivered a true, correct and complete copy of the Lease to Purchaser. Seller has no Actual Knowledge of any leases other than the Lease. To Seller's Actual Knowledge, the Lease constitutes the entire agreement between Seller and Tenant and Seller has no Actual Knowledge of any amendments, guaranties or other agreements, written or oral, relating thereto. To Seller's Actual Knowledge, (i) Seller has received no notice of termination with respect to the Lease; (ii) Tenant has not asserted any defense to, offsets or claims against, rent payable by it or the performance of its other obligations under the Lease; (iii) Seller has received no notice that Tenant is in default under the Lease; (iv) all leasing commissions due with respect to the Lease have been paid; (v) Tenant is not in arrears in the payment of any sums or in the performance of any material obligation required of it under the Lease; and (vi) Tenant has not paid any rent or other charges under the Lease more than one (1) month in advance.

Section 10.05. Seller is not a "foreign person" as defined in Section 1445 of the Internal Revenue Code of 1986, as amended, and the income tax regulations thereunder.

Section 10.06. There is no action, suit or proceeding pending or, to Seller's Actual Knowledge, threatened against the Seller and or relating to or arising out of the ownership, management or operation of the Property, in any court or before any federal, state or municipal department, commission, board, bureau or other governmental instrumentality.

Section 10.07. Attached hereto as Schedule 2 is a list of all Brokerage Agreements of which Seller has Actual Knowledge.

All representations, warranties and covenants of the Seller contained in this Agreement or in any affidavit or other document delivered in connection herewith shall be true and correct in all material respects at Closing and shall survive the Closing for a period of six (6) months.

If (x) any of the representations and warranties set forth above prove to have been false or inaccurate when made and is asserted in a writing delivered by Purchaser to the Seller during the applicable survival period, and (y) Purchaser incurs a Material Loss as a result of such falsity, then Seller shall reimburse Purchaser for such Material Loss up to the amount of One Million Dollars \$1,000,000. It is specifically acknowledged that, if the Closing occurs, the Seller shall have no liability with respect to any misrepresentations which were actually known by Purchaser to be false or

inaccurate at Closing, notwithstanding that such falsity or inaccuracy may have caused a Material Loss.

SECTION 11: THE SELLER'S INSTRUMENTS AT CLOSING

Section 11.01. The Seller shall execute, or where applicable, cause the following to be delivered to Purchaser on the Closing Date:

(a) a special warranty deed in the form of Exhibit C hereto; and

(b) assignments or other instruments in recordable form transferring and assigning to Purchaser Seller's interest in the Property (other than the Real Estate) in the form of Exhibit D hereto; and

(c) a certificate from the Seller stating that all representations and warranties made by the Seller in this Agreement are true in all material respects as of the Closing Date as if made on such date; and

(d) a duly executed affidavit as may be required pursuant to Section 1445 of the Internal Revenue Code in the form of Exhibit E hereto; and

(e) such other documents, instruments, resolutions and other material reasonably requested by Purchaser as may be necessary to effect the transfer of title hereunder or as may be reasonably requested by the Title Insurer, provided that the same shall not require any representations more comprehensive than those set forth in this Agreement.

SECTION 12: PURCHASER'S REPRESENTATIONS AND WARRANTIES

Section 12.01. To induce the Seller to enter into this Agreement, Purchaser makes the following representations and warranties, all of which Purchaser represents are true in all material respects as of the date hereof and shall be true in all material respects as of the Closing Date and shall be deemed to be made as of that date.

(a) Purchaser is and at the Closing shall be a real estate investment trust duly organized and validly existing and in good standing under the laws of the State of Maryland with full power and authority to own and purchase the Property and to take all actions required by this Agreement.

(b) The execution, delivery and performance of this Agreement and consummation of the transaction hereby contemplated in accordance with the terms of this Agreement will not violate the Declaration of Trust or any material contract, agreement, commitment, order, judgment or decree to which Purchaser is a party or by which it is bound, and Purchaser has obtained (or will, by the Closing, have obtained) all consents necessary (whether from a governmental authority or other third party) in order for it to consummate the transactions contemplated hereby. (c) The party or parties executing this Agreement on behalf of Purchaser have been duly authorized and are empowered to bind Purchaser to this Agreement and to take all actions required by this Agreement. (d) Upon execution, this Agreement shall be the binding obligation of Purchaser, enforceable against Purchaser in accordance with the terms hereof. (e) No action, suit or proceeding is pending or, to Purchaser's knowledge, threatened against Purchaser which would materially adversely affect Purchaser's or financial condition or its ability to fully perform its obligations pursuant to this Agreement. (f) The execution and delivery of this Agreement and the performance by Purchaser of its obligations hereunder do not and will not conflict with or violate any law, rule, judgment, regulation, order, writ, injunction or decree of any court or governmental or quasi-governmental entity with jurisdiction over Purchaser, including, without limitation, the United States of America, the State of New York or any political subdivision of any of the foregoing, or any decision or ruling of any arbitrator to which Purchaser is a party or by which Purchaser is bound or affected and no consent of any governmental agency is required.

All representations, warranties and covenants of Purchaser contained in this Agreement or in any affidavit or other document delivered in connection herewith shall be true and correct in all material respects at Closing and shall survive the Closing for a period of six (6) months.

If (x) any of the representations and warranties set forth above prove to have been false when made and such falsity is asserted in writing delivered by the Seller to Purchaser during the applicable survival period, and (y) the Seller incurs a Loss as a result of such falsity, then Purchaser shall reimburse Seller for such loss and, in the event that Purchaser fails to do so, the Seller shall be entitled to recover such Loss through all remedies available at law or in equity. It is specifically acknowledged that, if the Closing occurs, Purchaser shall have no liability with respect to misrepresentations which were actually known by the Seller at Closing.

SECTION 13: PURCHASER'S INSTRUMENTS AT CLOSING

Section 13.01. On the Closing Date, Purchaser shall cause the Escrow Agent to deliver the Purchase Price, subject to adjustments and prorations set forth herein, to the Seller. Additionally, on the Closing Date, Purchaser shall execute and deliver to the Seller the following:

(a) the Assignment and Assumption Agreement in the form of Exhibit D attached hereto; and

(b) such other documents, instruments, resolutions and other material necessary to effect the transfer of title hereunder and reasonably requested by the Seller or the Title Insurer.

SECTION 14: CONTRACT PERIOD

Section 14.01. Throughout the Contract Period, the Seller shall continue to fulfill its material obligations under the Lease. During the Contract Period, any amendments to the Lease, and all actions which have a material effect upon the Lease, the Property or its operation, shall be subject to Purchaser's approval, which may be given in its sole and absolute discretion.

Section 14.02. Seller shall not, without the written consent of Purchaser enter into any agreements relating to the ownership and operation of the Property unless such contract(s) shall be fully cancelable or terminable prior to the Closing Date.

SECTION 15: BROKERAGE

Section 15.01. Purchaser and the Seller represent and warrant to each other that no broker or person was in any way instrumental or had any part in bringing about this transaction except Insignia/ESG, Inc., whose fees the Seller shall pay. Purchaser agrees that, should any claim be made for commissions by any broker or person arising by, through or on account of any act of Purchaser or Purchaser's representatives, Purchaser shall indemnify and hold the Seller harmless from and against any and all claim, liability, cost or expense (including reasonable attorneys' fees) in connection therewith. The Seller agrees that should any claim be made for commissions by any broker or person arising by, through or on account of any act of any Seller or such Seller's representatives, Seller shall indemnify and hold Purchaser harmless from and against any and all claim, liability, cost or expense (including reasonable attorneys' fees) in connection herewith. The provisions of this paragraph shall survive delivery of the deed, but the provisions hereof shall not be deemed or construed as a covenant for the benefit of any third party.

SECTION 16: CONDITIONS PRECEDENT TO CLOSING

Section 16.01. (a) Purchaser's obligations to close title under this Agreement on the Closing Date shall be subject to the satisfaction of the following conditions precedent on or prior to the Closing Date:

(i) all of the Seller's representations and warranties made in this Agreement shall be true and correct in all material respects as of the Closing Date as if they were made on that date;

(ii) the Seller shall have performed all material obligations and agreements undertaken by it herein to be performed at or prior to the Closing Date;

(iii) the Seller shall have no actual knowledge of any material default under the Lease and the Estoppel Certificate shall not indicate the existence of an uncured default under the Lease;

(iv) Purchaser shall have received the Estoppel Certificate substantially in the form of Exhibit F, executed by the Tenant, and without any material modifications thereto; and

(v) The Title Company shall be prepared to issue the title policy pursuant to Section 6.01.

(b) The Seller's obligations to close title under this Agreement on the Closing Date shall be subject to the satisfaction of the following conditions precedent on the Closing Date:

(i) all of Purchaser's representations and warranties made in this Agreement shall be true and correct in all material respects as of the Closing Date as if they were made on that date; and

(ii) Purchaser shall have performed all material obligations and agreements undertaken by it herein to be performed at or prior to the Closing Date. CLOSING7:

Section 17.01. The closing of title to the Property (the "CLOSING") shall take place at the offices of Commonwealth Land Title Insurance, 655 Third Avenue, New York, New York on or before July 30, 1999 (time being of the essence).

SECTION 18: EXPENSES:

Section 18.01. Each party will bear its own legal expenses in connection with this transaction. Seller shall pay any deed recording fees and

the cost of the standard title insurance policy. Purchaser shall pay the cost of any extended title insurance policy and all other costs and expenses of preparing for and concluding this transaction, including the cost of surveys, engineering reports, environmental reports, legal use opinions and the like. In the event that the Closing does not take place, this paragraph 18 will survive and will be binding on both Purchaser and Seller.

SECTION 19: NOTICES

Section 19.01. All notices, requests and demands to be made hereunder to the parties hereto shall be in writing (at the addresses set forth below) and shall be given by any of the following means: (a) personal delivery (including, without limitation, overnight delivery, courier or messenger services); (b) telecopying (if electronically confirmed in writing and with a copy delivered by one of the other means) or (c) registered or certified, first-class United States mail, postage prepaid, return receipt requested. Notice by a party's counsel shall be deemed to be notice by such party. All notices to the Seller shall be sent to the address set forth below. Such addresses may be changed by notice to the other parties given in the same manner as provided above. Any notice, demand or request sent (x) pursuant to subsection (a) shall be deemed received upon such personal delivery, (y) pursuant to subsection (b) shall be deemed received on the day it is dispatched by telecopier and (z) pursuant to subsection (c) shall be deemed received upon delivery or the date on which delivery was refused.

If to Purchaser:

HUB Properties Trust
400 Centre Street
Newton, MA 02458
Attention: John Mannix
Telecopy: (617) 332-2261

With copies to: Sullivan & Worcester LLP
One Post Office Square
Boston, MA 02109
Attention: Jane S. Kerpon, Esq.
Telecopy: (617) 338-2880

To Seller c/o Metropolitan Partners, LLC
225 Broadhollow Road
Melville, NY 11747-0983
Attention: Jason Barnett, Esq.
Telecopy: (516) 622-6760

With copies to: Metropolitan Partners, LLC
10 East 50th Street, 27th Floor
New York, New York 10022
Attention: Ms. Diane Conniff
Telecopy: (212) 715-6535

With copies to: Brown & Wood LLP
One World Trade Center
New York, NY 10048-0557
Attention: William H. Boericke, Esq.
Telecopy: (212) 839-5599

SECTION 20: DEFAULT

Section 20.01. Purchaser's Default. If Purchaser shall be in default of any obligations imposed upon Purchaser by this Agreement and the Closing shall not timely occur as a result thereof, and the Seller has performed or has offered to perform its obligations hereunder or if there is a material breach of any of Purchaser's representations and warranties, then the Seller shall have the right to treat this Agreement as having been breached by Purchaser and the Seller's sole remedy on account of such breach shall be the right to terminate this Agreement by written notice to Purchaser or Purchaser's attorney. Upon such termination (a) Purchaser shall forfeit all rights and claims with respect to the Property pursuant to this Agreement and to the Deposit; and (b) Escrow Agent shall remit the Deposit to the Seller. The Seller and Purchaser hereby agree that payment of the Deposit to the Seller shall be deemed to be fair and adequate, but not excessive, liquidated damages based upon the following considerations which the Seller and Purchaser agree would constitute damages to the Seller for any default by Purchaser but which are impossible to quantify, to wit: (i) the removal of the Property from the real estate market together with the uncertainty of obtaining a new purchaser at the same or greater purchase price; (ii) the expenses incurred by the Seller, including (but not by way of limitation) attorneys' fees, taxes, mortgage interest, and other items incidental to the maintenance of the Property until it is eventually sold; and (iii) all other expenses incurred by the Seller as a result of Purchaser's default.

In the event of such termination, Purchaser shall immediately return all due diligence material, reports and studies delivered to Purchaser by the Seller (without Purchaser retaining copies thereof).

Section 20.02. The Seller's Default. In the event the Seller is in default by reason of a material breach of the Seller's representations and warranties and the same cannot be cured within thirty (30) days without harm to Purchaser, Purchaser's sole remedy shall be to demand the immediate return of the Deposit and the cancellation of this Agreement. In the event the Seller is in default by reason of Seller's failure or refusal to deliver title in accordance with the terms of this Agreement for more than ten (10) calendar days after receipt of written notice thereof has been given to the Seller, Purchaser remedies shall include the right to (a) immediate return of the Deposit and the cancellation of this Agreement or (b) an action to specifically enforce this Agreement. Purchaser shall have no other rights or remedies against the Seller on account of a default. Nothing contained herein shall limit Purchaser's rights and remedies after Closing with respect to a breach of Seller's representations and warranties as set forth in Section 10.

SECTION 21: ASSIGNMENT

Section 21.01. This Agreement and Purchaser's rights hereunder may not be assigned by Purchaser without the prior written consent of the Seller except that Purchaser may designate, no later than ten (10) days prior to Closing, a wholly owned subsidiary or Affiliate as the entity to take title to the Property but such designation shall not relieve Purchaser with respect to any liability hereunder.

SECTION 22: ESTOPPEL CERTIFICATE

Section 22.01. Seller shall use reasonable efforts to obtain from Tenant an estoppel certificate in the form attached hereto as Exhibit F (the "Tenant Estoppel").

SECTION 23: COUNTERPARTS

Section 23.01. This Agreement may be executed in counterparts. The signatures of the parties who sign different counterparts of this Agreement or any of the instruments executed to effectuate the purposes of this Agreement shall have the same effect as if those parties had signed the same counterparts of this Agreement or of any such instrument.

SECTION 24: INTENTIONALLY DELETED

SECTION 25: MISCELLANEOUS

Section 25.01. Subject to Section 21 hereof, this Agreement shall be binding upon and shall inure to the benefit of the Seller and Purchaser and their respective successors and assigns.

Section 25.02. This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona. This Agreement shall be construed without regard to any presumption or other rule requiring construction against the party causing this Agreement to be drafted. If any words or phrases in this Agreement shall have been stricken out or otherwise eliminated, whether or not any other words or phrases have been added, this Agreement shall be construed as if the words or phrases so stricken out or otherwise eliminated were never included in this Agreement and no implication or inference shall be drawn from the fact that said words or phrases were so stricken out or otherwise eliminated. All terms and words used in this Agreement, regardless of the number or gender in which they are used, shall be deemed to include any other number and any other gender as the context may require. Section 25.03. The headings of the several Sections contained in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Agreement or the intent of any provision thereof. Section 25.04. The invalidity or unenforceability of any provision of this Agreement shall not affect or impair any other provision of this Agreement. Section 25.05. This Agreement contains the entire agreement between the Seller and Purchaser, and any and all prior understandings and dealings heretofore had are merged herein and any agreement hereafter made shall be ineffective to change, modify or discharge this Agreement in whole or in part unless such agreement hereafter made is in writing and signed by the Seller and Purchaser. Section 25.06. Purchaser shall have no right to record this Agreement or a memorandum hereof. If Purchaser shall so record this Agreement or a memorandum, Purchaser shall be in default of the terms and conditions of this Agreement. Section 25.07. Nonliability of Trustees. THE DECLARATION OF TRUST ESTABLISHING PURCHASER, A COPY OF WHICH, TOGETHER WITH ALL AMENDMENTS THERETO (THE "DECLARATION"), IS DULY FILED WITH THE DEPARTMENT OF ASSESSMENTS AND TAXATION OF THE STATE OF MARYLAND, PROVIDES THAT THE NAME "HUB PROPERTIES TRUST" REFERS TO THE TRUSTEES UNDER THE DECLARATION COLLECTIVELY AS TRUSTEES, BUT NOT INDIVIDUALLY OR PERSONALLY, AND THAT NO TRUSTEE, OFFICER, SHAREHOLDER, EMPLOYEE OR AGENT OF PURCHASER SHALL BE HELD TO ANY PERSONAL LIABILITY, JOINTLY OR SEVERALLY FOR ANY OBLIGATION OF, OR CLAIM AGAINST, PURCHASER. ALL PERSONS DEALING WITH PURCHASER, IN ANY WAY, SHALL LOOK ONLY TO THE ASSETS OF PURCHASER FOR THE PAYMENT OF ANY SUM OR THE PERFORMANCE OF ANY OBLIGATION. THE PROVISIONS OF THIS SECTION 25.10 SHALL SURVIVE THE CLOSING.

SECTION 26: ESCROW AGENT

Section 26.01. The Seller and Purchaser hereby designate as "ESCROW AGENT" to receive and hold the Deposit delivered herewith by Purchaser in accordance with Section 3 hereof, and Escrow Agent agrees to act as such Escrow Agent subject to the provisions of this Section 26.

Section 26.02. The Deposit shall be deposited in an interest bearing money market account at any federally insured banking institution. Section 26.03. On receipt by Escrow Agent of a statement executed by the Seller and Purchaser that title to the Property has closed under this Agreement, Escrow Agent shall promptly deliver such Deposit to Purchaser. Section 26.04. On receipt by Escrow Agent of a statement executed by Purchaser prior to, on or after the Closing Date that title to the Property has not closed under this Agreement because of a default by Seller under this Agreement or because of Seller's inability to convey title to the Property in accordance with the provisions of this Agreement or because any contingency contained in this Agreement has not been satisfied or waived, Escrow Agent shall, within ten (10) Business Days, deliver a copy of said statement to the Seller and return such Deposit to Purchaser on the tenth (10th) Business Day after receipt by the Seller of said statement unless Escrow Agent, prior to such return, receives from the Seller a statement contesting the accuracy of Purchaser's statement and demanding retention of said Deposit by Escrow Agent. Section 26.05. On receipt by Escrow Agent of a statement executed by the Seller prior to, on or after the Closing Date that title to the Property has not closed under this Agreement because of a default by Purchaser under this Agreement, Escrow Agent shall within ten (10) Business Days deliver said statement to Purchaser and deliver such Deposit to the Seller on the tenth (10th) Business Day after receipt by Purchaser of such statement unless Escrow Agent, prior to such delivery, receives from Purchaser a statement contesting the accuracy of the Seller's statement and demanding retention of said Deposit by Escrow Agent. Section 26.06. On receipt by Escrow Agent of a statement from the Seller or Purchaser, as the case may be, under subparagraph 26.04 or 26.05 above, Escrow Agent shall retain the Deposit and thereafter deliver the same to either the Seller or Purchaser as the Seller or Purchaser may direct by a statement executed by them both, provided if there is any dispute with respect to the Deposit, Escrow Agent may immediately and with notice to the Seller and Purchaser, surrender said Deposit to a court of competent jurisdiction for such disposition as may be directed by such court. Section 26.07. Upon delivery of the Deposit to either Purchaser, the Seller or a court of competent jurisdiction under and pursuant to the provisions of this Section, Escrow Agent shall be relieved of all liability, responsibility or obligation with respect to or arising out of the Deposit and any and all of its obligations arising therefrom. Section 26.08. The Escrow Agent shall not be liable for any error of judgment or for any act done or omitted by it in good faith or for anything which it may in good faith do or refrain from doing in connection herewith or for any negligence other than its gross negligence, nor shall the Escrow Agent be answerable for the default or misconduct of its agents, attorneys or employees if they be selected with reasonable care. The Escrow Agent is authorized to act upon any document believed by it to be genuine and to be signed by the proper party or parties and will incur no liability in so acting.

Section 26.09. Seller and Purchaser acknowledge that Escrow Agent is acting solely as a stakeholder. Seller and Purchaser shall jointly and severally indemnify and hold the Escrow Agent harmless from and against any cost, expenses, claims or liabilities arising in connection with its performance hereunder as Escrow Agent, except to the extent caused by Escrow Agent's gross negligence and willful misconduct.

Section 26.10. The Escrow Agent has executed this Agreement for the sole purpose of agreeing to act as such in accordance with the terms of this Agreement.

SECTION 27: CONFIDENTIALITY/PUBLICATION

Section 27.01. Except as may be required by law or as may be necessary to effectuate the contemplated transaction or except as set forth below, both the Seller and Purchaser, individually and on behalf of their representatives (including lenders, principals, affiliates or clients) agree that they and their respective representatives shall hold both the terms and conditions of this Agreement and its existence as confidential information and will not disclose such terms, conditions or existence or the fact that the negotiations are taking place, to any third party without first obtaining the prior written consent of the other to such statements. Seller shall not trade in any public securities of Purchaser while the closing of this transaction is pending unless and until a public pronouncement concerning the transaction contemplated by this Agreement is made. This Section shall survive for one (1) year after the termination of this Agreement if the Closing does not occur. This Section shall constitute a binding and enforceable agreement under applicable law.

IN WITNESS WHEREOF, the Seller and Purchaser have executed this Agreement as

of the day and year first above written.

SELLER

METROPOLITAN OPERATING PARTNERSHIP, L.P.

By: Metropolitan Partners LLC, its general partner

By: /s/ Scott Rechler

Name:
Title:

PURCHASER:

HUB PROPERTIES TRUST

By: /s/ John A. Mannix

Name:
Title:

ESCROW AGENT

COMMONWEALTH LAND TITLE INSURANCE COMPANY

By: /s/ Craig S. Feder

Name:
Title:

SCHEDULE 1

List of Personal Property

NONE

SCHEDULE 2

Brokerage Agreements

NONE

SCHEDULE 3

Litigation

NONE

SCHEDULE 4

Permitted Encumbrances

[To be attached]

Schedule 5

Marked Title Commitment

[To be attached]

Exhibit A: Description of the Land

Exhibit B:

LEASE

Exhibit C

When recorded, return to:

(Space above this line for Recorder's use)

SPECIAL WARRANTY DEED

For the consideration of Ten Dollars and other valuable consideration, the receipt and sufficiency of which are acknowledged, Metropolitan Operating Partnership, L.P., a _____ limited partnership ("Grantor"), conveys to HUB Properties Trust, a Maryland real estate investment trust, the following described real property situated in Maricopa County, Arizona, together with all buildings, structures, improvements and fixtures thereon and all rights and privileges appurtenant thereto:

See the legal description set forth in Exhibit "A" attached and incorporated by this reference (the "Property").

SUBJECT TO only those matters set forth in Exhibit "B" attached and incorporated by this reference.

Grantor binds itself and its successors to warrant and defend the title to the Property against all acts of Grantor and no other, subject to only the matters set forth above.

Dated this ____ day of July, 1999.

Grantor:

By _____, its general partner

By _____

Name:

Title:

STATE OF _____)

) ss.

County of _____)

The foregoing instrument was acknowledged before me this ____ day of July, 1999, by _____ as _____ of Metropolitan Operating Partnership, L.P., on behalf of the partnership.

Notary Public

My Commission Expires:

Exhibit D

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT (this "Assignment"), dated this ____ day of _____, 199_, is made by and among _____ (the "Assignor") and _____ (the "Assignee").

WHEREAS, Assignee has this day purchased Assignor's interest in the real property legally described on the attached Exhibit A (the "Property"); and

WHEREAS, the execution and delivery of this Assignment is a condition precedent to the purchase by the Assignee of the Property;

NOW, THEREFORE, in consideration of the purchase and sale of the Property, and for other good and valuable consideration, Assignor agrees as follows (unless otherwise defined, all capitalized terms shall have the meanings set forth in the Purchase and Sale Agreement dated as of _____, 199_ between Assignor and Assignee (the "Purchase and Sale Agreement"));

1. Assignor hereby grants, transfers and assigns to Assignee and Assignee accepts from Assignor all the right, title and interest of Assignor in and to the following (the "Assigned Assets"):

(i) all permits and licenses, certificates of occupancy, approvals, dedications, subdivision maps or plats and entitlements issued, approved or granted by federal, state or municipal authorities or otherwise in connection with the Property and its renovation, construction, use, maintenance, repair, leasing and operation; and all licenses, consents, easements, rights of way and approvals required from private parties to make use of utilities, to insure pedestrian ingress and egress to the Property and to insure continued use of any vaults under public rights-of-way presently used in the operation of the Property;

(ii) the use of any names by which any of the Property is commonly known, and all goodwill, if any related to said names;

(iii) all Security Deposits, the Lease, and all correspondence with the Tenant under the Lease, all booklets and manuals relating to the maintenance and operation of the Property; and

(iv) the Books and Records, Warranties, Brokerage Agreements and Personal Property.

The foregoing are collectively referred to herein as the "Assigned Assets". The foregoing assignment is made without recourse, and on an "as-is, where-is, with all faults" basis, without any representation or warranty by Assignor except as may be expressly set forth in the Purchase and Sale Agreement.

2. Assignor shall retain full responsibility for all the obligations under the Assigned Assets accruing prior to the date hereof and Assignor agrees to indemnify and hold Assignee harmless from any claims, liabilities or costs arising therefrom.

3. Assignee agrees to assume full responsibility for all the obligations under the Lease accruing on or after the date hereof and Assignee agrees to indemnify and hold Assignor harmless from any claims, liabilities or costs arising therefrom.

4. This instrument may be executed in counterparts, each of which shall constitute an original and all of which, taken together, shall constitute one and the same instrument.

5. This Assignment shall be governed by and construed in accordance with the laws of the State of Arizona. This Assignment shall be construed without regard to any presumption or other rule requiring construction against the party causing this Agreement to be drafted.

6. Nonliability of Trustees. THE DECLARATION OF TRUST ESTATE ESTABLISHING ASSIGNEE, A COPY OF WHICH, TOGETHER WITH ALL AMENDMENTS THERETO (THE "DECLARATION"), IS DULY FILED WITH THE DEPARTMENT OF ASSESSMENT AND TAXATION TO THE STATE OF MARYLAND, PROVIDES THAT THE NAME "HUB PROPERTIES TRUST" REFERS TO THE TRUSTEES UNDER THE DECLARATION COLLECTIVELY AS TRUSTEE, BUT NOT INDIVIDUALLY OR PERSONALLY, AND THAT NO TRUSTEE, OFFICER, SHAREHOLDER, EMPLOYEE OR AGENT OF ASSIGNEE SHALL BE HELD TO ANY PERSONAL LIABILITY, JOINTLY OR SEVERALLY FOR ANY OBLIGATION OF, OR CLAIM AGAINST, ASSIGNEE. ALL PERSONS DEALING WITH ASSIGNEE, IN ANY WAY, SHALL LOOK ONLY TO THE ASSETS OF ASSIGNEE FOR THE PAYMENT OF ANY SUM OR THE PERFORMANCE OF ANY OBLIGATION.

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

ASSIGNOR: _____ ASSIGNEE: _____

By: _____

By: _____ By: _____

Name:

Name:

Title:

Exhibit E

FIRPTA CERTIFICATE

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest by ("Seller"), Seller hereby certifies the following:

- 1. Seller is not a foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);
- 2. Seller's U.S. employer identification number is (_____) and
- 3. Seller's principal place of business is (_____).

Seller understands that this certification may be disclosed to the Internal Revenue Service by transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of Seller.

By: _____

By: _____

Name:

Title:

Subscribed and sworn to before me this ____ day of _____, 199_.

Notary Public

Exhibit F

BLUE CROSS AND BLUE SHIELD OF ARIZONA

TENANT ESTOPPEL CERTIFICATE

Building: 2444 Las Palmeritas Drive, Phoenix, Arizona

Lease Date: June 25, 1999 between:

Lessor: Metropolitan Operating Partnership, L.P.

Lessee: Blue Cross and Blue Shield of Arizona

(said lease, together with any modifications or amendments or guarantees described below, the "Lease").

The undersigned, Lessee under the Lease, certifies the following to Lessor, Hub Properties Trust and their respective subsidiaries, affiliates, successors and assigns, and any transferee or lender of any of the foregoing who are relying thereon:

Attached hereto as Exhibit A is a true, correct and complete copy of the Lease, and that the Lease has not been modified, changed, altered or amended in any respect except as expressly set forth below and attached to Exhibit A; the base rent payable under the Lease is set forth at Schedule I attached hereto. The Lease is presently valid and binding, in full force and effect, without default and has not been assigned, modified, supplemented, or amended in any way except as indicated at the end of this Certificate; that the same represents the entire agreement between the parties as to this leasing and this property; the term thereof has commenced; Lessee has accepted possession and fully occupies the premises; full rental is now accruing thereunder (and all rent and charges are current and not prepaid more than one month in advance); Lessor has performed all obligations required to be performed to date under the Lease; that any work and all other improvements to the leased premises required to be furnished or constructed by the Lessor have been completed; that the only tenant improvement allowance, credit or payment

to which Lessee is entitled is \$500,000 which is payable in accordance with the terms of the First Addendum to Lease; Lessee has no options to purchase or lease the premises and no rights of first offer or rights of first refusal; that, to the knowledge of Lessee, there exists no default nor state of facts which with notice and/or the passage of time would constitute a default thereunder on the part of Lessee or, to the knowledge of Lessee, on the part of the Lessor thereunder; on this date there are no existing defenses or offsets which the undersigned has against the enforcement of the Lease by the Lessor; and no security has been deposited with Lessor; there are no actions, voluntary or otherwise, pending or, to the best knowledge of Lessee, threatened against Lessee under the bankruptcy, reorganization, moratorium or similar laws of the United States, any state thereof or any other jurisdiction, that Lessee has no right to free rent or any other concession or abatement (except as set forth in the Lease).

BLUE CROSS AND BLUE SHIELD OF ARIZONA

By: _____
Name:
Title:
Date:

Lease Modifications, Guarantees and Amendments,
If any, are listed as follows: First Addendum to Lease, dated June 25, 1999.

CONTRACT OF SALE

between

54-55 STREET COMPANY,

as Seller,

and

RECKSON OPERATING PARTNERSHIP, L.P.,

as Purchaser

Dated As of October 15, 1999

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EXHIBITS

[redacted]

GLOSSARY

[redacted]

CONTRACT OF SALE

CONTRACT OF SALE (the "Agreement"), dated as of October __, 1999, between 54-55 STREET COMPANY, a joint venture organized under the laws of the State of New York, having an address at 1350 Avenue of the Americas, New York, New York 10019 ("Seller"), and RECKSON OPERATING PARTNERSHIP, L.P., a Delaware limited partnership having an address at c/o Reckson Associates Realty Corp., 10 East 50th Street, 29th Floor, New York, New York 10022 ("Purchaser").

W I T N E S S E T H:

WHEREAS, Seller desires to sell the Premises (as hereinafter defined) to Purchaser, and Purchaser desires to purchase the Premises from Seller, upon the terms and subject to the conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual agreements hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. Purchase and Sale of Premises. Subject to and in accordance with the provisions of this Agreement, Seller shall sell to Purchaser, and Purchaser shall purchase from Seller, all of Seller's right, title and interest in and to the following: (a) the real property described on Exhibit "A" annexed hereto and made a part hereof (the "Land"), (b) the building and other improvements situated on the Land (collectively, the "Improvements"), (c) any land lying in the bed of any street or highway in front of or adjoining the Land to the center line thereof, (d) any appurtenances to the Land or the Improvements, and (e) to the extent owned by Seller, the fixtures, equipment and other personal property attached or appurtenant to the Improvements on the date hereof and/or to the extent located on the Premises, used in connection with the ownership, operation and management of the Premises (the items enumerated in clauses (a)-(e) above being hereinafter collectively referred to as the "Premises").

SECTION 2. Purchase Price; Downpayment.

2.1. The aggregate purchase price to be paid by Purchaser to Seller for the Premises (the "Purchase Price") is ONE HUNDRED TWENTY-SIX MILLION FIVE HUNDRED THOUSAND AND 00/100 DOLLARS (\$126,500,000.00), subject to adjustment as provided in Section 2.2(d), which amount shall be payable in accordance with the further provisions of this Section 2.

2.2. (a) Simultaneously with the execution and delivery of this Agreement, Purchaser shall deliver to Escrowee (as hereinafter defined), by wire transfer in immediately available federal funds to Citibank, N.A., 153 East 53rd Street, New York, New York 10043, Account Name - Gibson, Dunn & Crutcher, LLP, Account Number - 43355282, ABA Number 021-000-089 (the "Escrow Holding Account"), the amount of SIX MILLION AND 00/100 DOLLARS (\$6,000,000.00) as a downpayment (the "Downpayment") on account of the Purchase Price.

(b) The Downpayment, together with all interest earned thereon, hereinafter collectively shall be referred to as the "Escrow Funds." Escrowee shall transfer and deposit all Escrow Funds from the Escrow Holding Account to the separate escrow account ("Escrow Account") referred to below and shall thereafter hold and disburse the Escrow Funds in accordance with the provisions of Section 2.3 hereof. As used in this Agreement, the term "Escrowee" shall mean and refer to Gibson, Dunn & Crutcher LLP.

(c) At the Closing, Purchaser shall (i) pay to Seller the amount of ONE HUNDRED TWENTY-FOUR MILLION and 00/100 DOLLARS (\$124,000,000.00), plus any Additional Purchase Price which is payable pursuant to Section 2.2(d), less the amount of the Downpayment actually delivered by Purchaser to Escrowee (less any funds used by Seller for restoration and not replaced by Purchaser pursuant to Section 2.3(d) hereof), and less the amount of the holdback provided for in Section 7.7 hereof, further subject to apportionments and other adjustments made in accordance with the terms of Section 13 and Section 14 hereof, (ii) pay the amount of the holdback provided for in Section 7.6 hereof to the Warranties Holdback Escrowee, which subject to the terms and conditions set forth in Section 7.6 hereof, shall be paid to Seller on account of the balance of the Purchase Price not later than nine (9) months after the Closing (except for the Remy Amerique Commission Funds (as defined herein) which subject to the terms and conditions set forth in Section 7.6 hereof, shall be paid to Seller not later than December 31, 2000 as provided below), and (iii) direct Escrowee to deliver to Seller the Escrow Funds.

(d) [section redacted]

At all times from and after the date hereof through the Surrender Period, to the extent Hearst desires to surrender any of the Hearst Space, Seller and Purchaser shall jointly negotiate with Hearst to obtain a surrender of the Hearst Space to maximize the space to be surrendered, and neither

Seller nor Purchaser shall contact or communicate with the Hearst Tenant (or any parent or affiliate) or any agent or representative thereof ("Hearst Party"), directly or indirectly, concerning (x) any extension, renewal, termination or surrender of the Hearst Lease, or (y) any amendment or modification of the Hearst Lease related to or which might materially and adversely affect the surrender of any Hearst Space, without the prior written consent of the other. If either Seller or Purchaser shall receive any communication from any Hearst Party concerning the Hearst Space or Hearst Lease during the Surrender Period, it shall promptly make full disclosure thereof to the other party.

(e).....Except as otherwise provided for in this Agreement, all monies payable to Seller by Purchaser pursuant to this Agreement, shall be paid by wire transfer in immediately available federal funds to an account or accounts designated in writing from time to time by Seller.

2.3. (a) Escrowee shall hold the Escrow Funds in escrow in an interest-bearing account (or as otherwise agreed in writing by Seller, Purchaser and Escrowee) in a New York Clearing House Bank or in a nationally recognized "money fund" (the "Escrow Account") until the Closing or sooner termination of this Agreement and shall pay over or apply the Escrow Funds in accordance with the further provisions of this Section 2.3. The party which receives the interest earned on the Downpayment shall pay all income taxes owed in connection therewith. The employer identification numbers of Seller and Purchaser are set forth on the signature page hereof. Escrowee shall not be liable to Purchaser or Seller for any loss occasioned by any deposit of the Escrow Funds made in accordance with this Section 2.3.

(b) At the Closing, the Escrow Funds shall be paid by Escrowee to Seller and Purchaser shall receive a credit against the Purchase Price equal to the sum of the Escrow Funds.

(c) Subject to, and following in compliance with, the provisions of Section 2.3(e) hereof, Escrowee shall deliver to Seller the Escrow Funds at the expiration of ten (10) business days following Escrowee's receipt of Seller's written demand ("Seller's Demand") for the Escrow Funds stating that Purchaser has defaulted in the performance of Purchaser's obligations under this Agreement and specifying such default in reasonable detail or that Seller is entitled to use the Escrow Funds to restore the Premises as provided in Section 8.2(b) hereof (it being understood and agreed that (i) Seller shall have no obligation to restore the Premises, and (ii) to the extent Seller uses all or any portion of the Escrow Funds to restore the Premises, Purchaser shall promptly pay to Escrowee an amount equal to the Escrow Funds used to restore the Premises). Simultaneously with Seller's delivery of Seller's Demand to Escrowee, Seller shall deliver a copy of Seller's Demand to Purchaser.

(d) Subject to, and following in compliance with, the provisions of Section 2.3(e) hereof, Escrowee shall deliver to Purchaser the Escrow Funds at the expiration of ten (10) business days following Escrowee's receipt of Purchaser's written demand ("Purchaser's Demand") therefor stating in reasonable detail that (i) the Closing did not occur on the Scheduled Closing Date (as hereinafter defined), or on such later date to which the Closing shall have been adjourned, as a result of Seller's inability or refusal to convey title to the Premises in accordance with the provisions of this Agreement, or (ii) Purchaser has properly terminated this Agreement in accordance with the provisions hereof. Simultaneously with Purchaser's delivery of Purchaser's Demand to Escrowee, Purchaser shall deliver a copy of Purchaser's Demand to Seller.

(e) If Escrowee receives either Seller's Demand or Purchaser's Demand (individually, a "Demand") pursuant to and in accordance with Section 2.3(c) or (d) hereof, as the case may be, then, in such event, prior to releasing the Escrow Funds, Escrowee shall deliver a copy of Seller's Demand or Purchaser's Demand, as the case may be, to the non-demanding party within five (5) business days after receipt thereof by Escrowee. If Escrowee shall not have received a written objection to the proposed payment by the close of business on the tenth (10th) business day following the date of Seller's Demand or Purchaser's Demand, as the case may be, then, in such event, Escrowee is hereby authorized and directed to make the payment set forth in such Demand on the eleventh (11th) business day following the date of such Demand. If Escrowee shall have received a written objection from either party before such payment, then, in such event, Escrowee shall continue to hold the Escrow Funds until otherwise directed by written instructions from both of the parties hereto or by a final unappealable judgment of a court of competent jurisdiction; provided, however, that Escrowee shall have the right, at any time, to deposit the Escrow Funds with any court of competent jurisdiction and thereby be relieved and discharged of any further obligations or liability under this Agreement. Escrowee shall give written notice of any such deposit to Seller and Purchaser. Escrowee shall be entitled to rely upon the authenticity of any signature and/or the validity of any writing received by Escrowee pursuant to, or otherwise relating to, this Agreement. Any writing signed by any two (2) of the "parties of the first part" of Seller, on behalf of Seller, shall be sufficient to bind Seller, and Escrowee shall be entitled to rely thereon. The "parties of the first part" of Seller are Marjorie Minskoff Schleifer (whose official successor as such party of the first part

is Jean Minskoff Grant), Myron A. Minskoff (whose official successor as such party of the first part is Sara Minskoff Grant), and the Estate of Jerome Minskoff (whose co-executors are Patricia Minskoff and United States Trust Company of New York).

(f) The parties acknowledge and agree that (i) Escrowee, in its capacity as the holder of the Escrow Funds hereunder, is acting solely as a stakeholder at the parties' request and for their convenience; (ii) although Escrowee, in its capacity as attorney, acts as the attorney for Seller in connection with the transactions contemplated herein, Escrowee shall not be deemed to be the agent of either of the parties hereto as holder of the Escrow Funds (provided, however, that the parties hereto acknowledge and agree that (x) Purchaser, by its execution and delivery of this Agreement, has pledged to Seller the Escrow Funds as security for Purchaser's obligations hereunder, (y) Purchaser hereby grants to Seller a first priority lien on, and security interest in, the Escrow Funds, and (z) Escrowee shall be deemed to be Seller's agent for the purposes of such pledge and grant of security interest); (iii) any conflict of interest that may exist because of Escrowee's representation of Seller hereunder as attorney and/or acting as agent with respect to said pledge and grant of security interest is hereby waived; and (iv) Escrowee shall not be liable to either of the parties hereto or to any third-party for any act or omission on its part as Escrowee unless due to Escrowee's gross negligence or willful misconduct. Seller and Purchaser, jointly and severally, shall indemnify, defend and hold harmless Escrowee from and against any and all losses, liabilities, costs, claims, damages or expenses (including, without limitation, reasonable attorneys' fees and costs) which may be incurred or suffered by Escrowee in connection with the performance of Escrowee's duties hereunder, excepting Escrowee's gross negligence or willful misconduct. As between Seller and Purchaser, the party responsible for the acts or omissions giving rise to the foregoing indemnity obligation, shall be liable to the other party for contribution or reimbursement.

SECTION 3. Closing.

3.1 (a) The closing of the transaction contemplated by this Agreement (the "Closing") shall occur on November 30, 1999 (the "Scheduled Closing Date"), or on such earlier date as Purchaser and Seller shall mutually agree upon, subject to adjournment as hereafter provided; provided, however, notwithstanding any provision of this Agreement to the contrary, in no event shall the Closing be adjourned under any provision of this Agreement to a date later than January 31, 2000. The Closing shall occur at the offices of Seller's attorney, Gibson, Dunn & Crutcher, LLP, at 200 Park Avenue, New York, New York 10166 at 10:00 a.m. on the Scheduled Closing Date or at such other time or place as shall be agreed upon by the parties. The date on which the Closing shall actually occur is referred to herein as the "Closing Date".

(b) In addition to Seller's rights to adjourn the Closing set forth elsewhere in this Agreement, each party hereto shall have the one-time right to adjourn the Scheduled Closing Date (as theretofore adjourned) for up to seven (7) days in the aggregate.

(c) Provided that Seller has delivered to New York Life Insurance Company ("New York Life") the letter with the same substance as the form attached hereto as Schedule 6 on or before October 22, 1999, Seller shall have the right to postpone the Closing Date up to the date (the "60-Day Date") that is 60 days after the delivery to New York Life of such letter, if so required by New York Life, provided that the Closing Date shall not be extended beyond the 60-Day Date as a result of this Section 3.1(c).

SECTION 4. Termination Option.

4.1. For the purposes of this Agreement, the term "Termination Option" shall mean the termination of this Agreement by Purchaser pursuant to any express right of termination granted to Purchaser herein, which Termination Option shall be exercised by the giving of a written notice of termination from Purchaser to Escrowee as provided in the applicable provisions of this Agreement. Upon the proper exercise of the Termination Option by Purchaser, Purchaser shall be entitled to the Escrow Funds, subject to the provisions of Section 2.3 and Section 8.2 hereof, and this Agreement shall be deemed terminated automatically and of no further force or effect and neither party hereto shall have any further rights or obligations hereunder, without the necessity for any further notice, instrument or document or action by or between either of the parties; provided, however, that the indemnities contained in Section 8.2 and Section 15 hereof shall survive any such termination, together with all other indemnities, representations, warranties and obligations which are specifically provided herein to survive any such termination, in each case for a period of 9 months from the date of termination.

SECTION 5. Title Exceptions.

5.1. At the Closing, provided that neither Purchaser nor Seller has terminated this Agreement pursuant to the terms hereof, Seller shall transfer title to the Premises to Purchaser pursuant to the Deed (as hereinafter defined), subject only to the following (the "Permitted Exceptions"): (a) the list of items designated in the pro forma title policy

issued by Commonwealth Land Title Insurance Company ("Commonwealth") which are set forth on Exhibit "B" annexed hereto and made a part hereof (provided that the actual title policy may be issued by Commonwealth, First American Title Insurance Company, or Chicago Title Insurance Company) [collectively, the "Title Insurer"]; (b) the Violations, if any, referred to in Section 9 hereof; and (c) all leases and tenancies (as tenants only) affecting the Premises described on Exhibit "C" annexed hereto and made a part hereof.

5.2. Seller shall, on or prior to the Closing, pay, discharge or remove of record or cause to be paid, discharged or removed of record, at Seller's expense, all of the following items: (a) the items listed in the letter (the "Title Letter") addressed to Seller from Title Insurer set forth on Exhibit "B-1"; (b) any encumbrances ("Voluntary Liens") which Seller has granted, suffered or allowed to be placed upon the Premises, including without limitation mechanics' liens and federal, state and municipal tax liens against the Seller which are other than Permitted Exceptions (other than those permitted to be created by tenants under their leases); provided, however, that a lien or encumbrance created by a tenant that is not permitted under its respective lease shall not be deemed a Voluntary Lien; and (c) any other encumbrances ("Non-Voluntary Liens") placed on the Premises which are not (I) Voluntary Liens or (II) Permitted Exceptions or (III) items listed in the letter referred to in Section 5.2(a); provided that Seller shall not be obligated to spend more than the aggregate amount of \$[redacted] to omit or satisfy or discharge (or provide a credit for the funds necessary to accomplish the same) Non-Voluntary Liens. Without limiting the foregoing, Seller shall use its best efforts to cause the holder of any mortgages encumbering the Premises to assign said mortgages to Purchaser's designee or Lender without charge to Purchaser, provided that Seller shall not be required to incur any costs, fees or expenses nor to commence any proceedings or litigation in connection therewith, and in no event shall delivery of such assignment(s) constitute a condition to the Closing.

5.3. Notwithstanding any provision contained herein to the contrary, no defect or exception to title shall be deemed a failure of Seller's obligations entitling Purchaser to exercise the Termination Option which Seller shall, at its discretion, (a) elect to cure by notice to Purchaser, and which shall have been cured at or before the Closing or (b) cause the Title Insurer to omit from the final title insurance policy. Seller shall have no obligation to expend any funds or otherwise to cure any title defects, except in each case as set forth in Section 5.2.

SECTION 6. Failure of Seller or Purchaser to Perform.

6.1. (a) If Seller shall be unable to convey title to the Premises to Purchaser in accordance with this Agreement for reasons other than default by Seller under this Agreement, then, in such event, as its sole and exclusive remedies hereunder, Purchaser shall be entitled either (i) to accept such title as Seller is able to convey, without any credit, reduction, adjustment or abatement in, to or of the Purchase Price (except as otherwise provided for specifically herein), or (ii) to terminate this Agreement by exercise of the Termination Option on or before the Closing Date, it being the intention of the parties that Purchaser hereby knowingly and with the advice of counsel waives and relinquishes any and all other rights and remedies at law or in equity, including, but not limited to, damages or specific performance.

(b) If Seller shall default in the performance of its obligations hereunder, subject to Seller's rights to cure such default as provided in this Agreement (it being understood and agreed that such right to cure shall not extend past January 31, 2000 as set forth in Section 3.1(a) hereof), then in such event, as the sole and exclusive remedies of Purchaser hereunder (other than the remedies of Section 6.1(a)(i), which shall remain available to Purchaser), Purchaser shall be entitled either (i) to terminate this Agreement by exercise of the Termination Option on or before the Closing Date, or (ii) to bring an action for specific performance of the terms of this Agreement for conveyance of the Premises in accordance with the terms of this Agreement, it being the intention of the parties that Purchaser knowingly and with the advice of counsel hereby waives and relinquishes any and all other rights and remedies at law or in equity, including, without limitation, any claim for damages. Notwithstanding the foregoing, the indemnity of Seller contained in Section 15 hereof shall survive any termination of this Agreement pursuant to Sections 6.1(a) and 6.1(b) for a period of nine (9) months from the date of the Closing.

6.2. Provided that Purchaser is obligated to close hereunder and Seller is ready, willing and able to consummate the transactions contemplated hereby, if Purchaser shall materially default in the performance of any of its obligations hereunder, then, in such event, as its sole and exclusive remedy hereunder, Seller shall be entitled to terminate this Agreement and retain the Escrow Funds as liquidated and agreed damages for Purchaser's default (excluding all indemnities of Purchaser herein, for which the Escrow Funds may be subject to Seller's claims for actual Losses as provided herein), it being agreed by the parties, each knowingly and with the advice of separate counsel, that it would be difficult to calculate precisely Seller's actual damages in the event of such a default by Purchaser and that the liquidated damages set forth herein represent a fair and reasonable estimate by Seller and Purchaser

of the damages (direct, indirect and consequential) which would be suffered by Seller as a result of Purchaser's default hereunder (excluding Purchaser's indemnities as aforesaid). If Seller shall elect to terminate this Agreement pursuant to this Section 6.2, then, in such event, upon Seller's receipt of the Escrow Funds, this Agreement shall terminate automatically and be of no further force or effect and neither party hereto shall have any further rights or obligations hereunder or thereunder without the necessity for any further notice, instrument, document or action by or between any of the parties; provided, however, that the indemnities contained in Section 8.2 and Section 15 hereof and all other indemnities of Purchaser provided in this Agreement shall survive any such termination for a period of nine (9) months from the date of the Closing and shall be separately and additionally enforceable and/or recoverable by the non-indemnifying party.

SECTION 7. Representations and Warranties of Seller and Purchaser.

7.1. Seller hereby represents and warrants to Purchaser as follows as of the date hereof:

(a) Seller is a valid and existing joint venture which is treated as a general partnership under the laws of the State of New York.

(b) Seller has the full power and authority to enter into and consummate all transactions contemplated by this Agreement on its part to be performed, has duly authorized the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby on its part to be performed, and has duly executed and delivered this Agreement, and all of the obligations of Seller hereunder constitute and, upon the execution and delivery by Seller of the other documents and instruments to be executed and delivered by Seller pursuant hereto, all obligations of Seller thereunder will constitute the legal, valid and binding obligations of Seller, enforceable against it in accordance with their respective terms subject to: (i) the effect of any bankruptcy, insolvency, reorganization, moratorium, arrangement or similar laws affecting the enforcement of creditors' rights generally (including without limitation, the effect of statutory or other laws regarding fraudulent transfers or preferential transfers), (ii) general principles of equity, including without limitation, standards of due process, materiality, good faith, reasonableness and fair dealing, and (iii) the extent to which any provisions may be deemed unenforceable as contrary to public policy.

(c) The execution, delivery and performance of this Agreement, and all other agreements, documents and instruments to be executed by Seller pursuant to this Agreement, when duly executed and delivered by Seller, will each constitute the binding obligation of Seller; and such execution and consummation of the transaction contemplated hereby does not (i) breach or violate any organizational documents of Seller, (ii) to Seller's knowledge, conflict with or violate or result in a breach of any of the provisions of, or constitute a default under, any agreement or instrument to which Seller is a party or by which it or any of its property is bound, (iii) conflict with or violate any judgment, order, writ, injunction or decree binding on Seller or any of its property or (iv) to Seller's knowledge (without inquiry), conflict with or violate any law, rule, regulation or ordinance applicable to Seller or any of its property.

(d) No approval, authorization, order, license or consent of, or registration or filing with, any governmental authority or regulatory body is required in connection with the execution and delivery by Seller of this Agreement and the consummation by Seller of the transactions contemplated hereby, other than filing and paying New York State and New York City transfer tax returns and taxes, respectively.

(e) Seller is solvent and has not filed, nor has there been filed against it, nor do grounds exist for the filing of, any voluntary or involuntary petition in bankruptcy or insolvency and no receiver or trustee or similar custodian has been appointed with respect to any of Seller's property, and Seller has not received written notice from any bankruptcy court that any partner of Seller is subject to any voluntary or involuntary bankruptcy or insolvency proceeding.

(f) To Seller's knowledge, except for the Leases, true and complete copies of which have, to Seller's knowledge, been delivered to Purchaser, there are no leases, tenancies, rental agreements, occupancy rights or possessory rights, and to Seller's knowledge, there are no subtenancies which Seller has consented to in writing (other than with respect to Suite 1802), in each case affecting any portion of the Premises as of the date hereof. Suite 2305 is leased to Myron A. Minskoff, Inc. pursuant to the lease ("Minskoff Lease"), an executed copy of which is annexed hereto as Exhibit "D" and made a part hereof. With respect to the Leases, to Seller's knowledge, except as set forth on Exhibit "E" annexed hereto and made a part hereof: (i) all of the Leases are in full force and effect and none of the Leases has been modified, amended or extended; (ii) there are no pending summary proceedings for the eviction of any tenant under the Leases, there are no pending proceedings or pending written claims by any tenant against Seller for offsets against rent or additional rent or for damages or other redress, and no tenant has delivered written notice to Seller that such tenant is disputing (x) the amount of additional rent or escalation payments due pursuant to such tenant's

Lease or (y) the commencement date or the rent commencement date under its Lease which dispute remains unresolved; (iii) Seller has not received any written notice from any tenant claiming that Seller is in default of any of its obligations under any Lease, which default has not been cured; (iv) Seller has not sent any written notice, except as set forth on Exhibit "E", to any tenant claiming that such tenant is in default of any of its obligations under any Lease, which default remains uncured; (v) except as set forth on Exhibit "E" there are no delinquencies in any rental payments due under any of the Leases; (vi) Exhibit "F" attached hereto constitutes a true, correct and complete list of the security deposits held by Seller with respect to the Leases (the "Security Deposits"), and the bank(s) and account number(s) where such security deposits are maintained and, in the case of each Letter of Credit, the current expiration date thereof; (vii) no renewal or extension options have been granted to any tenant other than those set forth in the Leases; (viii) no tenant or other person has the option to purchase the Premises or a right of first offer or refusal to do so; (ix) no brokerage commission or other similar compensation is now or hereafter will become due or payable with respect to or on account of any of the Leases other than (A) the brokerage commissions set forth on Exhibit "I" and (B) any such amounts which may become due and payable as a result of the exercise of any expansion or renewal option following the date hereof or as set forth in the Mendik Management Agreement attached hereto as Exhibit "I"; (xi) no tenant has delivered written notice of its termination of its Lease (or the surrender of any space demised thereunder) or of its intention to so terminate its Lease or surrender any space; (xii) except for collateral assignments of leases and rents given to any existing mortgage holder of the Property (which Seller will use its best efforts, subject to the limitations of Section 5.2 hereof, to cause to be assigned to Purchaser at Closing or, if not so assigned, which Seller will cause to be released of record), Seller has not given any other assignment, pledge or encumbrance of its interest in the Leases or the rents payable thereunder; (xiii) all tenant work, free rent and any other tenant inducement obligations under the Leases have been satisfied by Seller, except as set forth on Exhibit "G" attached hereto; (xiv) attached as Exhibit "E" is a copy of the rent roll with respect to the Leases which is true, correct and complete; (xv) the dates set forth on the attached "Exhibit "ZZ" as the "commencement date" and the "rent commencement date" (to the extent Seller has such information) and the dates set forth on the attached rent roll as the "expiration date" accurately reflect the applicable tenant's commencement date, rent commencement date and expiration date under its Lease; and (xvi) Seller has not received written notice of the non-renewal of any Letter of Credit posted as a Security Deposit under the Leases.

(g) All furnishings, fixtures, machinery, equipment, supplies, tools and other items of personal property owned by Seller and located at and used in connection with the Premises as listed on Exhibit "H" annexed hereto and made a part hereof, are free and clear of all security interests, conditional sales agreements and title retention agreements other than those described on Exhibit "H".

(h) Seller is not a "foreign person" within the meaning of Section 1445 of the Internal Revenue Code, as amended.

(i) To Seller's knowledge, Seller has not received written notice of any condemnation or eminent domain proceeding pending or threatened, in writing, against the Premises or any part thereof.

(j) To Seller's knowledge, Exhibit "I" annexed hereto and made a part hereof is a list of all written agreements affecting the Premises as of the date hereof to which Seller is a party with respect to brokerage commissions, finder's fees or real estate agent's fees for the execution of the Leases.

(k) Except for the Service Contracts, and except for the Curtain Wall Agreement and Sidewalk Bridge Agreement (the Curtain Wall Agreement and Sidewalk Bridge Agreement are hereinafter collectively referred to as the "Exterior Agreements"), true copies of which are annexed hereto as Exhibit "J", to Seller's knowledge Seller is not a party to any written contracts (including, without limitation, any architect's or engineering agreement) which remain to be performed with respect to any improvements to the Premises, and the Service Contracts, the Curtain Wall Agreement and the Sidewalk Bridge Agreement are in full force and effect, without written notice of default to or by any party. Except as set forth in the next sentence, no additional amounts shall be payable with respect to the Exterior Agreements. The work contemplated by the Exterior Agreements is intended to be completed on or before the Closing, but if it is not so completed, Seller shall at the Closing (i) use its best efforts (without Seller being required to incur any fees, costs or expenses nor to commence any proceeding or litigation in connection therewith), to deliver to Purchaser a consent to the assignment of the Exterior Agreements to Purchaser from the other parties to the Exterior Agreements (it being agreed that in no event shall delivery of such consent constitute a condition to Closing), and in the event of such consent, (ii) assign the Exterior Agreements to Purchaser and the same shall be assumed by Purchaser by inclusion in Exhibit "R" annexed hereto and made a part hereof, and (iii) Seller shall give Purchaser a credit against the Purchase Price for the balance of the stated cost of completion. If consent to such assignment shall not be obtained, Seller agrees at Purchaser's request and at Purchaser's

expense, to enforce any applicable provision of the Exterior Agreements after the Closing for the benefit of Purchaser. The preceding sentence shall survive the Closing. Attached hereto as Schedule 3 is a consent to the transfer of the warranties under the Curtain Wall Agreement, which is approved by Purchaser, and which warranties shall in all events be assigned to Purchaser at Closing by inclusion in Exhibit "R" attached hereto.

(l) To Seller's knowledge, there is no litigation, claim, action or proceeding pending or threatened against Seller or the Premises, that, if determined adversely to Seller, would result in any material adverse change in the business, operation, affairs or condition of the Premises, in any case which is uninsured or would materially and adversely affect the enforceability of this Agreement or any other document or instrument executed or to be executed in connection herewith or the ability of Seller to perform its obligations hereunder or consummate the transactions contemplated hereby. No written material dispute currently exists under the Exterior Agreements or any of the Service Contracts to Seller's knowledge. To Seller's knowledge, Exhibit "K" annexed hereto and made a part hereof, sets forth all litigation, claims, actions or proceedings currently affecting Seller or the Premises (including, without limitation, litigation with building employees and tenants).

(m) To Seller's knowledge, except as disclosed on Exhibit "L" hereto, (i) Seller has not received any written notice, demand, letter, claim or request for information regarding the presence of Hazardous Substances or liability under any Environmental Law with respect to the Premises; and (ii) Seller has not received any written notice (the subject of which has not been fully cured) that the Premises is currently subject to any orders, decrees, injunctions or any other proceedings or requirements imposed by any governmental authority or third party pursuant to any Environmental Law.

(n) To Seller's knowledge, the insurance policies maintained by Seller covering the Premises have limits of coverage, deductible amounts and expiration dates (and such insurance policies are in full force and effect) sufficient to cover Seller's financial obligations to restore the Premises or credit Purchaser pursuant to Section 10.

(o) To Seller's knowledge: Subject to the provisions of Section 14.4, Exhibit "M" is a true correct and complete list of all employees at the Building and their wages, and a list of all employment, union or other similar agreements or any pension, profit-sharing, insurance or other employee benefit plans to which Seller is a party and relating to the Premises or the employees; and Seller has not received any written notice claiming a default by Seller under any of the aforementioned employee agreements.

(p) To Seller's knowledge, Exhibit "N" sets forth a true, correct and complete list of all pending tax certiorari proceedings, the name of the counsel representing Seller with respect thereto and the status of such proceedings.

(q) To Seller's knowledge, Seller has not received written notice of any insolvency or bankruptcy proceeding involving any tenant, licensee or occupant (or guarantor of the same) under any Lease.

[language redacted]

7.2. Except as set forth in Section 7.1 hereof or in other express provisions of this Agreement, Seller makes no representation, warranty or covenant of any kind with respect to: the Premises; any environmental conditions at, or with respect to, the Premises; the compliance or non-compliance of the Premises or any tenant-occupied space with the provisions of any applicable local, municipal, state or federal statute, law, ordinance, rule or regulation (including administrative rules and regulations), including without limitation the zoning regulations or other governmental requirements applicable to, or with respect to, the Premises or the Americans With Disabilities Act ("ADA"); the site or physical conditions applicable to, or with respect to, the Premises; the Leases; or any other matters whatsoever affecting the title, use, enjoyment, occupancy, operation, management, leasing, or condition to, of or with respect to the Premises or any part thereof.

7.3. Purchaser hereby represents and warrants to Seller as follows:

(a) Purchaser is a limited partnership duly organized, validly existing and in good standing under the laws of Delaware.

(b) Purchaser has the full power and authority to enter into and consummate all transactions contemplated by this Agreement on its part to be performed, has duly authorized the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby on its part to be performed, and has duly executed and delivered this Agreement, and all of the obligations of Purchaser hereunder constitute and, upon the execution and delivery by Purchaser of the other documents and instruments to be executed and delivered by Purchaser pursuant hereto, all obligations of Purchaser thereunder will constitute the legal, valid and binding obligations of Purchaser, enforceable against it in accordance with their respective terms

subject to (i) the effect of any bankruptcy, insolvency, reorganization, moratorium, arrangement or similar laws affecting the enforcement of creditors' rights generally (including without limitation, the effect of statutory or other laws regarding fraudulent transfers or preferential transfers), (ii) general principals of equity, including without limitation, standards of due process, materiality, good faith, reasonableness and fair dealing, and (iii) the extent to which any provisions hereof may be deemed unenforceable as contrary to public policy.

(c) The execution, delivery and performance of this Agreement, and all other agreements, documents and instruments to be executed by Purchaser pursuant to this Agreement, when duly executed and delivered by Purchaser, will each constitute the binding obligation of Purchaser, and such execution and consummation of the transaction contemplated hereby does not (i) contravene the operating or partnership agreement of Purchaser or breach or violate any organizational documents of Purchaser, (ii) to Purchaser's knowledge, conflict with or violate or result in a breach of any of the provisions of, or constitute a default under, any agreement or instrument to which Purchaser is a party or by which it or any of its property is bound, (iii) conflict with or violate any judgment, order, writ, injunction or decree binding on Purchaser or any of its property or (iv) to Purchaser's knowledge (without inquiry), conflict with or violate any law, rule, regulation or ordinance applicable to Purchaser or any of its property.

(d) As of the Closing Date, Purchaser shall have inspected the Premises and, as a result of such inspection, shall be fully familiar with the access to and from the Premises, the present physical and financial condition of the Premises and the present state of repair of the Premises. Subject to the provisions of this Agreement, at the Closing, Purchaser shall accept the Premises "AS IS", "WHERE IS" and "WITH ALL FAULTS" (whether latent, patent or detectable or not) on the Closing Date, without any reduction in the Purchase Price for any change in the physical or financial condition occurring from and after the date hereof. Purchaser acknowledges and agrees that (i) except as otherwise specifically set forth in this Agreement, neither Seller nor any of its direct or indirect principals, members, joint venturers, partners or affiliates, nor its or their employees, agents, brokers and representatives (collectively, "Seller and its Representatives") nor any other person, has made any representation, warranty, promise or covenant, express or implied, with respect to the Premises, the fitness, merchantability, suitability or adequacy of the Premises for any particular purpose, any environmental condition at or with respect to the Premises, the compliance or non-compliance of the Premises or any tenant-occupied space under the provisions of the ADA, the site or physical conditions applicable to or with respect to the Premises, the zoning regulations or other governmental requirements applicable to or with respect to the Premises, the Leases, or any other matters whatsoever affecting the title, use, enjoyment, occupancy, operation, management, leasing, ownership or condition to, of or with respect to the Premises, or any part thereof, and (ii) neither Seller nor any of its Representatives nor any other person will have, or be subject to, any liability to Purchaser or any other person resulting from the distribution to Purchaser, or Purchaser's use of, any information pertaining to the Premises which is not specifically set forth in this Agreement. Without limiting the generality of the foregoing, Purchaser further acknowledges and agrees that, except as otherwise specifically set forth in Section 7.1(m) hereof (subject to the limitations of Sections 7.5 and 19.10), no representation, warranty, covenant or indemnity has been made or will be given to Purchaser or any other person in respect of any environmental liability with respect to any dangerous, toxic or hazardous wastes, materials, pollutants or substances ("Hazardous Materials"), as such terms are defined in federal, state and local environmental laws and regulations, including, without limitation, the United States Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (collectively, "Environmental Laws"). Purchaser also acknowledges and agrees that, except as otherwise specifically set forth in Section 7.1(m) hereof (subject to the limitations of Section 7.5 and Section 19.10), in no event whatsoever shall Seller or its Representatives have any liability to Purchaser, or otherwise, with respect to Hazardous Materials affecting the Premises or Environmental Laws. Purchaser also represents that, at the Closing, Purchaser will have had sufficient opportunity to conduct such investigations of and with respect to the Premises as it has deemed necessary and advisable. Purchaser's representations, warranties, acknowledgments and agreements set forth in this Section 7.3(d) shall survive the Closing.

(e) No approval, authorization, order, license or consent of, or registration or filing with, any governmental authority or regulatory body is required in connection with the execution and delivery by Purchaser of this Agreement or the consummation by Purchaser of the transactions contemplated hereby.

(f) There is no litigation, claim or proceeding pending or, to Purchaser's knowledge, threatened in writing against Purchaser in any court or before any governmental agency or instrumentality that, if determined adversely to Purchaser, would materially and adversely affect the enforceability of this Agreement or any other document or instrument executed or to be executed in connection herewith or the ability of Purchaser to perform its obligations hereunder or consummate the transactions contemplated hereby.

(g) Purchaser is solvent and has not filed, nor has there been filed against it, nor do grounds exist for the filing of, any voluntary or involuntary petition in bankruptcy or insolvency and no receiver or trustee or similar custodian has been appointed with respect to its property or any material portion thereof.

(h) As of the date hereof, Purchaser has available to it sufficient funds with which to pay the Purchase Price and to meet its other financial obligations to Seller under this Agreement. The obligations of Purchaser hereunder are not subject to any contingency for the benefit of Purchaser regarding the availability of financing (whether secured or unsecured) to provide funds to Purchaser to consummate the transactions contemplated hereby.

(i) Except as specifically set forth in this Agreement, Purchaser has not been induced by, and has not relied upon, any representation, warranty, promise or statement made by Seller or any of its Representatives. Purchaser's representations set forth in this Section 7.3(i) shall survive the Closing.

7.4. If at or before the Closing Purchaser becomes aware that any representation made by Seller in this Section 7 is materially inaccurate, Purchaser shall promptly send written notice thereof to Seller. In such event, prior to or at the Closing, at Seller's option the Closing shall be adjourned for five (5) business days, during which time Seller shall have the right to give notice to Purchaser ("Seller's Section 7 Cure Notice") that it elects to take such action as is necessary to cause such representation to be true ("Section 7 Cure") within thirty (30) days following Seller's Section 7 Cure Notice ("Section 7 Cure Period") (it being understood that Seller shall have no obligation to do so), and in such event the Closing shall be adjourned for up to an additional thirty (30) days (or any shorter period which Seller may specify in Seller's Section 7 Cure Notice). If Seller does not timely give a Seller's Section 7 Cure Notice, or effect such Section 7 Cure within such 30-day period, Purchaser shall either (x) terminate this Agreement by exercise of its Termination Option on or before the Closing Date or (y) waive (or be deemed to waive) objection to such misrepresentation and close this transaction without (i) abatement of the Purchase Price, (ii) credit or allowance of any kind or (iii) any claim or right of action against Seller for damages or otherwise in connection therewith. As used in this Agreement, the words "to Purchaser's knowledge" or words of similar import shall be deemed to mean, and shall be limited to, the actual (as distinguished from implied, imputed or constructive) knowledge of any one or more of Philip M. Waterman III, Richard Conniff and Jason Barnett.

7.5. Seller's representations and warranties set forth in this Section 7 shall survive the Closing for a period of nine (9) months following the Closing; provided, however, that any claim that there has been a breach of such representations and warranties ("Seller's Breach") shall be deemed forever waived by Purchaser if (a) such breach is actually known to Purchaser on or before the Closing and not disclosed to Seller in writing (subject to Section 7.4), and (b) if such breach is not actually known by Purchaser on or before the Closing and a claim is not made in writing by Purchaser within nine (9) months following the Closing Date. In no event shall Purchaser have any right or claim to rescind the purchase of the Premises after the Closing by reason of any Seller's Breach, but Purchaser shall be limited solely to recover damages (excluding punitive or consequential damages), which shall be paid solely from the Representations and Warranties Holdback (as hereinafter defined).

7.6. Holdback for Survival of Seller's Representations, Warranties and Indemnities.

(a) At the Closing, Purchaser shall deliver the sum of [redacted] (the "Representations and Warranties Holdback") to Warranties Holdback Escrowee (as hereafter defined), by wire transfer, in immediately available funds to Citibank, 120 Broadway, New York, NY, 10043, ABA #021000089, Attention: Rose DiGiorgio, Private Banking Division, For the Account of Fried, Frank, Harris, Shriver & Jacobson, Account Number: 37029464, Reference: Reckson Warranties Holdback, on account of the balance of the Purchase Price which, subject to the terms and conditions set forth in this Section 7.6, is to be delivered not later than nine (9) months after the Closing, except for the Remy Amerique Commission Funds (as defined herein), which, subject to the terms and conditions set forth herein, is to be paid to Seller, not later than December 31, 2000 (together with all interest as provided below). The Representations and Warranties Holdback shall be held by Warranties Holdback Escrowee to secure the payment of the Surviving Warranties (as hereinafter defined). "Surviving Warranties" means (i) any breach of the representations, warranties, covenants and indemnities of Seller contained in Section 7 (provided, however, in no event shall any claim be asserted under this Paragraph 7.6 with respect to any physical matter or physical condition of or relating to the Premises), Section 14.1, Section 14.2(a), Section 15 and Exhibits "Q" and "R" annexed hereto and made a part hereof which expressly survive the Closing, (ii) the payment by Seller of one half (1/2) of that certain brokerage commission (the "Remy Amerique Commission"), which is payable to Braun Associates LLC (the "Broker") in connection with that certain

First Amendment to Lease (the "Remy Amerique Expansion Agreement"), dated as of September 1999, between Seller, as Landlord and Remy Cointreau Amerique, Inc., as tenant (the "Remy Amerique Tenant"), such one-half (1/2) commission being in the amount of [redacted] (the "Remy Amerique Commission Funds"), but only if, as and when such Remy Amerique Commission becomes payable to Broker by reason of the failure by the Remy Amerique Tenant to exercise, on or before November 30, 2000 (the "Remy Payment Date"), (ii) the Remy Amerique Tenant's right to cancel its lease at the Building as set forth in such lease as of the date of this Agreement (the "Remy Cancellation Right"), and (iii) any adjustments due to Purchaser after Closing pursuant to Section 13 hereof (all of the items described in clauses (i) through (iii) are collectively, the "Surviving Warranties"), and which Surviving Warranties result in an aggregate amount of damages or other amounts payable to Purchaser in excess of [redacted] (the "Warranties Holdback Deductible"), provided, however, that the payment of the Remy Amerique Commission in accordance with the further terms and conditions of this Section 7.6., shall not be subject to the Warranties Holdback Deductible. As used in this Section 7.6, the term Warranties Holdback Escrowee shall mean and refer to Fried, Frank, Harris, Shriver & Jacobson.

(b) Warranties Holdback Escrowee shall hold the Representations and Warranties Holdback funds (the "Warranties Holdback Funds") in escrow in any "Permitted Investment" (as hereinafter defined) designated by Seller in writing from time to time, or, if Seller does not designate a Permitted Investment, in an interest-bearing account in a New York Clearing House Bank or in some other Permitted Investment agreed to in writing by the Seller and Purchaser and acceptable to Warranties Holdback Escrowee (the "Warranties Holdback Account") until the Warranties Holdback Termination Date (as hereinafter defined), and shall pay over or apply the Warranties Holdback Funds in accordance with the further provisions of this Section 7.6; provided, however, that Purchaser agrees that any and all interest earned on the Warranties Holdback Funds shall be paid to the Seller at the Warranties Holdback Termination Date and that Purchaser shall not be entitled to make any claim for or against such interest in connection with a breach by Seller of any of the Surviving Warranties or otherwise. If Seller receives such interest, Seller shall pay all income taxes owed in connection therewith. The employer identification number of Seller set forth on the signature page hereof. Warranties Holdback Escrowee shall not be liable to Purchaser or Seller for any loss occasioned by any deposit of the Warranties Holdback Funds made in accordance with this Section 7.6(b). The term "Permitted Investment" shall mean any of the following: (i) Institutional Service Shares of Federated New York Municipal Cash Trust or other New York triple tax-free money market funds of comparable quality, (ii) short-term New York triple tax-free investments rated not less than A-1 by Standard & Poor's Ratings Services or P-1 by Moody's Investors Service, Inc., or (iii) short-term United States Treasury Bills or other obligations of or guaranteed by the United States government.

(c) Subject to, and following in compliance with, the provisions of Section 7.6(d) hereof, Warranties Holdback Escrowee shall deliver to Purchaser the Warranties Holdback Funds (excluding interest thereon) only to the extent that the amount of damages or other amounts due to Purchaser as provided hereunder and as set forth in all Purchaser's Warranties Demands (as hereinafter defined) exceed the Warranties Holdback Deductible, at the expiration of ten (10) business days following Warranties Holdback Escrowee's receipt of Purchaser's written demand ("Purchaser's Warranties Demand") therefor from Purchaser or Purchaser's attorneys stating in reasonable detail that Seller has breached any of the Surviving Warranties and/or otherwise owes money to Purchaser in connection with the Remy Amerique Commission (and, in the case of the Remy Amerique Tenant, stating that the Remy Amerique Tenant has not timely exercised the Remy Cancellation Right) and/or pursuant to the Surviving Warranties after the Closing, in accordance with Section 13 hereof (but neither the inclusion of, or reference to, nor any payment in connection with Section 13 hereof, shall extend the Warranties Holdback Termination Date), and specifying the amount Purchaser is entitled to as a result thereof in reasonable detail, and Warranties Holdback Escrowee shall deliver all accrued interest with respect to the funds, so disbursed to Seller. Simultaneously with Purchaser's delivery of Purchaser's Warranties Demand to Warranties Holdback Escrowee, Purchaser shall deliver a copy of Purchaser's Warranties Demand to Seller.

(d) Subject to the provisions of Section 7.6(f) and Section 7.6(g) hereof, if Warranties Holdback Escrowee receives Purchaser's Warranties Demand pursuant to and in accordance with Section 7.6(c) hereof, then, in such event, prior to releasing any Warranties Holdback Funds, Warranties Holdback Escrowee shall deliver a copy of Purchaser's Warranties Demand to the Seller within five (5) business days after receipt thereof by Warranties Holdback Escrowee. If Warranties Holdback Escrowee shall not have received a written objection by Seller or Seller's attorneys to the proposed payment by the close of business on the tenth (10th) business day following the date of Purchaser's Warranties Demand, then, in such event, Warranties Holdback Escrowee is hereby authorized and directed to make the payment set forth in such Purchaser's Warranties Demand in excess of the Holdback Deductible on or after the eleventh (11th) business day following the date of such Purchaser's Warranties Demand. If Warranties Holdback Escrowee shall have received a written objection from either party or their attorneys before such payment, then, in such event, Warranties Holdback Escrowee shall continue to hold the Warranties

Holdback Funds until otherwise directed by written instructions from both of the parties hereto or by a final unappealable judgment of a court of competent jurisdiction; provided, however, that Warranties Holdback Escrowee shall have the right, at any time, to deposit the Warranties Holdback Funds with any court of competent jurisdiction and thereby be relieved and discharged of any further obligations or liability under this Agreement. Warranties Holdback Escrowee shall give written notice of any such deposit to Seller and Purchaser. Warranties Holdback Escrowee shall be entitled to rely upon the authenticity of any signature and/or the validity of any writing received by Warranties Holdback Escrowee pursuant to, or otherwise relating to, this Agreement. Any writing signed by any two (2) of the "parties of the first part" of Seller, on behalf of Seller, shall be sufficient to bind Seller, and Escrowee shall be entitled to rely thereon. The "parties of the first part" of Seller [language redacted].

(e) The parties acknowledge and agree that (i) Warranties Holdback Escrowee, in its capacity as the holder of the Warranties Holdback Funds hereunder, is acting solely as a stakeholder at the parties' request and for their convenience; (ii) although Warranties Holdback Escrowee, in its capacity as attorney, acts as the attorney for Purchaser in connection with the transactions contemplated herein, Warranties Holdback Escrowee shall not be deemed to be the agent of either of the parties hereto as holder of the Warranties Holdback Funds, (iii) any conflict of interest that may exist because of Escrowee's representation of Purchaser hereunder as attorney is hereby waived; (iv) Warranties Holdback Escrowee shall not be liable to either of the parties hereto or to any third-party for any act or omission on its part as Warranties Holdback Escrowee unless due to Warranties Holdback Escrowee's gross negligence or willful misconduct and (v) Warranties Holdback Escrowee or any of its members or employees shall be permitted to act as counsel for Purchaser in any dispute or question as to the disbursement of the Warranties Holdback Funds or any other matter arising under this Agreement. Seller and Purchaser, jointly and severally, shall indemnify, defend and hold harmless Warranties Holdback Escrowee from and against any and all losses, liabilities, costs, claims, damages or expenses (including, without limitation, reasonable attorneys' fees and costs) which may be incurred or suffered by Warranties Holdback Escrowee in connection with the performance of Warranties Holdback Escrowee's duties hereunder, excepting Warranties Holdback Escrowee's gross negligence or willful misconduct. As between Seller and Purchaser, the party responsible for the acts or omissions giving rise to the foregoing indemnity obligation, shall be liable to the other party for contribution or reimbursement.

(f) At such time (at or subsequent to the Closing) as Seller has delivered to Purchaser (with copies to Warranties Holdback Escrowee) Satisfactory Tenant Estoppels (as hereinafter defined) from tenants occupying at least [language redacted] of the net leasable space under lease at the Premises as of the date hereof (excluding the space leased by [language redacted]), Seller shall be entitled to the immediate release and the Warranties Holdback Escrowee shall pay to Seller, to the extent then held in escrow, the sum of [redacted] from the Warranties Holdback Funds (together with interest thereon) less the amount by which all Warranties Demands previously made by Purchaser (if any) exceed [redacted] (e.g., if Purchaser had made several Warranties Demands the aggregate value of which is [redacted], only [redacted] would be released to Seller). For purpose of clarification, Seller's Estoppels do not count in computing the [language redacted] threshold.

(g) Except to the extent a Purchaser's Warranties Demand was delivered in accordance with the terms hereof, and has not been resolved by the mutual agreement in writing by Seller and Purchaser, and except for the Remy Amerique Commission Funds [redacted] which shall continue to be held by Warranties Holdback Escrow Agent to secure payment of the Remy Amerique Commission until December 31, 2000 (the "Remy Amerique Termination Date"), at the expiration of nine (9) months from the Closing ("Warranties Holdback Termination Date"), Warranties Holdback Escrow Agent shall deliver all remaining Warranties Holdback Funds [excluding the Remy Amerique Commission Funds, unless such funds have previously been released in accordance with the terms hereof] (with all earned interest thereon not previously disbursed to Seller) to Seller, less the amount by which all Warranties Demands exceed [redacted]. If at any time that the Remy Amerique Funds would otherwise be payable to Purchaser, there shall not be sufficient funds therefor in the Warranties Holdback Funds, Seller shall promptly pay the same to Purchaser upon Purchaser's delivery of its demand and all other required evidence as provided in subparagraph (c) above. Anything contained in this Agreement to the contrary notwithstanding, Purchaser shall have no obligation to pay to Seller the amount of any Warranties Holdback Funds that have been disbursed to Purchaser in accordance with this Section 7.6 in respect of Warranties Demands.

(h) Purchaser agrees that to the extent Warranties Holdback Funds, together with any earned interest thereon, are released (the "Released Funds") to Seller in accordance with Section 7.6(f) or Section 7.6(g), Purchaser shall not be entitled to make any claim for or against any of the Released Funds in the possession of Seller or any Seller's Principal (as hereinafter defined) in connection with a breach by Seller of any of the Surviving Warranties or otherwise.

(i) Anything contained in this Section 7.6 to the contrary notwithstanding, if (A) on or before the Warranties Holdback Termination Date, the Remy Amerique Tenant shall exercise the Remy Cancellation Right, then the Remy Amerique Funds shall continue to be held by the Warranties Holdback Escrowee as part of the Warranties Holdback Funds as if all references in this Section 7.6 to the Remy Amerique Commission were omitted herefrom, (B) after the Warranties Holdback Termination Date and on or before the Remy Payment Date, the Remy Amerique Tenant shall exercise the Remy Cancellation Right, then the Remy Amerique Funds shall be released to Seller (and Purchaser shall have no right to object to such release to Seller), and (C) as of the Remy Payment Date, the Remy Amerique Tenant shall have failed to exercise the Remy Cancellation Right, then the Remy Amerique Funds shall be released to Purchaser (and Seller shall have no right to object to such release to Purchaser).

(j) The provisions of this Section 7.6 shall survive the Closing.

7.7. [section redacted]

(b) [section redacted]

(c) Chase Holdback Escrowee shall hold the Chase Funds in escrow for investment in any Permitted Investment designated by Purchaser in writing from time to time, or, if Purchaser has not designated a Permitted Investment, in an interest-bearing account in a New York Clearing House Bank or in some other investment acceptable to Chase Holdback Escrowee and Purchaser ("Chase Holdback Account"), and shall pay over or apply the Chase Funds in accordance with the provisions of this Section 7.7. The Purchaser shall pay all income taxes owed in connection with all interest. The employer identification numbers of Seller and Purchaser are set forth on the signature page hereof. Chase Holdback Escrowee shall not be liable to Purchaser or Seller for any loss occasioned by any deposit of the Chase Funds made in accordance with this Section 7.7(c).

(d) The parties acknowledge and agree that (i) Chase Holdback Escrowee, in its capacity as holder of the Chase Funds hereunder, is acting solely as a stakeholder at the parties' request and for their convenience; and (ii) although Chase Holdback Escrowee, in its capacity as attorney, acts as the attorney for Purchaser in connection with the transactions contemplated herein, Chase Holdback Escrowee shall not be deemed to be the agent of either of the parties hereto as holder of the Chase Funds, (iii) any conflict of interest that may exist because of Escrowee's representation of Purchaser hereunder as attorney is hereby waived (iv) Chase Holdback Escrowee shall not be liable to either of the parties hereto or to any third-party for any act or omission on its part as Chase Holdback Escrowee unless due to Chase Holdback Escrowee's gross negligence or willful misconduct; and (v) Chase Holdback Escrowee or any of its members or employees shall be permitted to act as counsel for Purchaser in any dispute or question as to the disbursement of the Chase Holdback Funds or any other matter arising under this Agreement. Seller and Purchaser, jointly and severally, shall indemnify, defend and hold harmless Chase Holdback Escrowee from and against any and all losses, liabilities, costs, claims, damages or expenses (including, without limitation, reasonable attorneys' fees and costs) which may be incurred or suffered by Chase Holdback Escrowee in connection with the performance of Chase Holdback Escrowee's duties hereunder, excepting Chase Holdback Escrowee's gross negligence or willful misconduct. As between Seller and Purchaser, the party responsible for the acts or omissions giving rise to the foregoing indemnity obligation, shall be liable to the other party for contribution or reimbursement.

(e) Except for the proration of monthly rent for the month of the Closing as provided in Section 7.7(b), there shall be no adjustment between Seller and Purchaser for arrearages or any other matters with respect to the Chase Lease. Except as hereinafter expressly set forth, Seller shall, at all times prior to and after the Closing, have the sole management and control of all aspects of the pending Chase litigation (Index No. 112750199, Supreme Court of the State of New York, County of New York, and related proceedings), including all arbitration proceedings and settlement negotiations, and all appeals (collectively, "Chase Litigation"), and Purchaser shall cooperate with Seller in connection therewith and, at Seller's request, shall participate in Seller's settlement negotiations. From and after the Closing, Purchaser hereby irrevocably designates and authorizes Seller, its successor and assigns and its and their attorneys to continue, conduct and settle the Chase Litigation in Seller's name, and/or Purchaser's name, place and stead (as the then owner of the Premises and the successor to Landlord under the Chase Lease), as Seller shall determine, and Purchaser irrevocably assigns and sets over to Seller, its successors and assigns all right, title and interest in any and all rights, remedies, privileges, rents (including all fixed, minimum, additional, operating and tax escalation, and "pass-through" rent), issues, profits, security deposits, proceeds, claims, actions, proceedings, awards, settlements and recoveries whatsoever under or arising out of the Chase Lease and/or Chase Litigation, with full power and authority to execute, acknowledge and deliver any and all settlement agreements, stipulations, dismissals, releases, lease terminations and surrenders and all other instruments and documents in connection with the Chase Lease and Chase

Litigation as Seller shall elect in its sole and absolute discretion, and Purchaser shall join in any of the same at Seller's request (so long as Purchaser shall incur no liability thereunder); provided, however, any settlement or agreement with Chase which does not require termination by Chase of occupancy of the entire premises under the Chase Lease on or before July 31, 2000 shall require Purchaser's prior written consent. Seller shall be responsible for all costs, fees and expenses of the Chase Litigation, including any adverse judgments, except with respect to any acts or omissions of Purchaser, its agents and representatives, and its and their successors and assigns, from and after the Closing.

(f) The provisions of this Section 7.7 shall survive the Closing.

SECTION 8. Inspection of the Premises.

8.1. At all times prior to the Closing Date (unless this Agreement is terminated prior to such date), upon reasonable notice to Seller or its representatives (including without limitation, Cushman & Wakefield, Inc. ("C&W")), Purchaser and such agents and representatives of Purchaser ("Authorized Representatives") as shall have been identified to Seller, shall have the right, subject to the rights of tenants and other occupants at the Premises (including, without limitation, subject to and in accordance with the terms of the Leases), to enter upon the Premises to inspect and examine the same, subject to the further provisions hereof; provided, however, that (a) Purchaser shall take all measures to minimize any interference or inconvenience with Seller's or any tenant's or occupant's use or operation of the Premises, including conducting inspections and tests after normal business hours; (b) all inspections shall be accomplished in an expeditious, safe and businesslike manner in accordance with all applicable law; (c) Seller, any tenant and/or their representatives or employees may, at Seller's option, accompany Purchaser or any Authorized Representatives; (c) Purchaser shall not alter or destroy the Premises in any manner whatsoever; (e) Purchaser shall promptly deliver to Seller copies of all data, information, tests, studies and reports generated by or for Purchaser relating to the results of such inspections if this Agreement is terminated; and (f) subject to Seller's prior written consent, as a further condition precedent to making any physically intrusive inspection or examination of the Premises or to bringing any equipment or materials on the Premises, Purchaser and all contractors engaged by Purchaser shall obtain and maintain at all times at their sole cost and expense (i) liability insurance in the amount of \$2,000,000 for property damage coverage and in the amount of \$5,000,000 for personal and bodily injury coverage, which insurance shall name Seller (and, at its option, its constituent joint venturers or partners) as additional insured parties, and (ii) with respect to any Authorized Representatives (and all of their employees and agents), workers' compensation and disability insurance, as required by law. Purchaser and the Authorized Representatives shall have the right from time to time, upon reasonable notice, to examine the books, records, accounts and other material information with respect to the Premises only. Purchaser shall provide to Seller certificates of insurance evidencing such coverage prior to entering upon the Premises as aforesaid for the purpose of making any such physically intrusive investigation, such certificates to provide that the insurance evidenced thereby may not be changed or canceled except upon thirty (30) days' written notice to Seller. It is understood and agreed that except as set forth in Section 4.1 hereof Purchaser's satisfaction with such inspection shall not constitute or be deemed to constitute a condition to Purchaser's obligations hereunder.

Without limiting the foregoing, the following shall apply to any communications with tenants, property managers or employees of or at the Premises:

(A) From and after the date hereof, Purchaser shall be entitled to communicate questions or requests for information to and from (I) "New York Life" or (II) tenants of the Premises, and the Premises' managers and employees, as reasonably required by Purchaser, in any case only upon prior notice to Seller and in the presence of one or more representatives of Seller (as Seller shall determine from time to time, which may be C&W), provided that Seller or its representative(s) is available to be present within (two) 2 business days of any such request, unless Seller has waived the right to be present in writing in a specific case. Notwithstanding any provisions contained herein to the contrary, Purchaser covenants and agrees that it will not enter into a deal with New York Life with respect to a new loan secured by the Premises or to assume, refinance, amend, recast, add to, or otherwise modify Seller's existing loan or mortgage secured by the Premises with or from New York Life nor will it obtain any such loan or submit or sign a proposal, a term sheet or commitment on or before the Closing Date and for a period of sixty (60) days after the Closing Date. The provisions of the immediately preceding sentence shall survive the Closing.

(B) Purchaser shall indemnify Seller and its Representatives from and against all Losses (as hereinafter defined) in connection with or arising out of any breach or violation of any of the provisions of subdivision (A) above, specifically excluding consequential damages.

8.2. (a) Any work performed by Purchaser or its Authorized Representatives in connection with any inspection of the Premises shall be at

Purchaser's sole cost and expense. Purchaser covenants and agrees to pay in full all persons who perform labor upon the Premises, and not to permit or suffer any mechanic's or materialman's lien of any kind or nature to be asserted or enforced against the Premises for any work done or materials furnished thereon at the instance or request or on behalf of Purchaser.

(b) Purchaser shall indemnify, defend and hold harmless Seller and its Representatives (collectively, to "Indemnify") from and against any and all losses, costs, liabilities, claims, damages or expenses (including, without limitation, reasonable attorney's fees and costs) [collectively, "Losses"] arising out of or as a result of any inspection of, or access to, the Premises and work in connection therewith by Purchaser or its Authorized Representatives (and any agents, employees, independent contractors and representatives thereof). Purchaser, at its sole cost and expense, shall promptly restore the Premises to its condition immediately prior to the performance of such investigation by Purchaser pursuant to this Section 8 and shall repair any and all damage caused by Purchaser or its Authorized Representatives and their employees, representatives, agents or independent contractors. Purchaser acknowledges and agrees that Seller shall have the right to use the Escrow Funds to restore the Premises if Purchaser shall fail to comply with this Section 8.2 within seven (7) business days after notice from Seller of such damage.

8.3. All indemnities of Purchaser in this Section 8 shall survive the Closing or any termination of this Agreement.

SECTION 9. Violations Affecting the Premises.

Purchaser shall accept title to the Premises subject to all violations of law or governmental ordinances, orders or requirements by any governmental department, agency or bureau having jurisdiction as to conditions affecting the Premises ("Violations"), and Seller shall have no obligation to remove or cure any such Violation; provided, however, that to the extent any Violations remain uncured as of the Closing, Purchaser shall receive a credit at Closing for the reasonable cost of curing said Violations, not to exceed under any circumstances the aggregate amount of \$[redacted]; provided, however, that if the cost of curing said violations is reasonably anticipated to exceed the aggregate amount of \$[redacted], Purchaser shall be entitled to exercise the Termination Option at or prior to the Closing.

SECTION 10. Destruction, Damage or Condemnation Affecting the Premises.

10.1. (a) Seller and Purchaser waive the provisions of all applicable laws (including General Obligations Law Section 5-1311) relating to the occurrence of a casualty between the date hereof and the Closing, and Seller and Purchaser agree that the following provisions with respect thereto shall govern. Seller agrees to notify Purchaser promptly if the Premises shall be destroyed or damaged in whole or in part by fire or other casualty prior to the Closing:

(b) If the Premises or any portion thereof shall be damaged by fire or other casualty between the date of this Agreement and the Closing and (I) the cost of restoring and repairing the portion of the Premises so damaged to substantially its present condition (the "Restoration Cost") is less than Six Million (\$6,000,000) Dollars as reasonably estimated by an architect or engineer selected by Seller and reasonably satisfactory to Purchaser and (II) such casualty will not result in tenants occupying an aggregate of more than 50,000 square feet to be entitled to cancel their Leases, then Purchaser shall have no right to terminate this Agreement and shall purchase the Premises in its damaged condition and assume full responsibility for repair thereto, without reduction of the Purchase Price or any other claim or offset. Seller shall (i) credit to Purchaser against the Purchase Price the amount of any remaining insurance proceeds theretofore received by Seller in connection with any such destruction by fire or other casualty (except that all business interruption insurance theretofore paid and received, if any, and applicable to periods prior to Closing shall be retained by Seller), less Seller's reasonable out-of-pocket costs incurred in connection with its attempts to seek collection of any such insurance proceeds, and (ii) assign to Purchaser by written assignment in form and substance reasonably satisfactory to Seller and Purchaser, at the Closing, all of Seller's right, title and interest in and to any insurance proceeds thereafter payable in connection with any such destruction by fire or casualty (except that business interruption insurance thereafter paid and received, if any, shall be apportioned as of the Closing Date, with that portion of the proceeds of such insurance attributable to the period prior to the Closing Date to be retained by or paid to Seller); provided, further, the amount of any credit under clause (ii) above shall not exceed the excess of the Restoration Cost for all restoration work remaining to be performed over the amount of insurance proceeds assigned. Purchaser shall receive credit for any insurance deductible. The Closing shall be adjourned until the Restoration Cost has been determined, unless Seller has given Purchaser notice that the Restoration Cost is reasonably expected to exceed \$6,000,000.00 (in which event Purchaser shall proceed as provided in subparagraph (c) below).

(c) Subject to the provisions of Section 10.1(d), if the Premises or any portion thereof shall be damaged by fire or other casualty

between the date of this Agreement and the Closing and (I) the Restoration Cost is more than Six Million (\$6,000,000) Dollars as reasonably estimated by an architect or engineer selected by Seller and reasonably satisfactory to Purchaser or (II) one or more tenants occupying an aggregate of more than 50,000 square feet shall be entitled to terminate their Leases, then Purchaser shall have the option, to be exercised within fifteen (15) days from the date of delivery of a written estimate of the Restoration Cost, to terminate this Agreement by written notice to the other party (a "Casualty Termination Notice") [in case of such termination by Purchaser, the same shall constitute an exercise of Purchaser's Termination Option]. If Purchaser terminates, neither party hereto shall have any further duties, obligations or liabilities to the other hereunder, except that Purchaser shall be entitled to the return of the Escrow Funds, and except for those obligations specifically provided for in this Agreement to survive the termination of this Agreement. If Purchaser shall not elect to terminate this Agreement as provided above, then this Agreement shall remain in full force and effect and the provisions of Section 10.1(b) shall apply to such damage and restoration and any insurance proceeds payable in connection therewith.

(d) If a determination of the Restoration Cost by the architect or engineer required to in Sections 10.1(b) and (c) above shall not have been delivered to Purchaser within sixty (60) days following the date of casualty, Purchaser shall be entitled to exercise the Termination Option.

10.2. (a) Seller and Purchaser hereby waive the provisions of all applicable laws (including General Obligations Law Section 5-1311) relating to the occurrence of a condemnation between the date hereof and the Closing, and Seller and Purchaser agree that the following provisions with respect thereto shall govern. Seller agrees to notify Purchaser promptly if the Premises shall be taken in whole or in part by right of eminent domain or condemnation prior to the Closing (a "Taking").

(b) If the Taking will so affect the Premises as to (i) allow one or more tenants occupying an aggregate of more than 50,000 square feet to cancel their Leases, (ii) cause the Premises to not comply with applicable laws, codes and regulations concerning zoning and land use, (iii) prevent the use of the Premises for its current purposes, or (iv) cause damages in excess of Six Million (\$6,000,000) Dollars as reasonably estimated by an architect or engineer selected by Seller and reasonably satisfactory to Purchaser, then Purchaser shall have the right to terminate this Agreement and to exercise its Termination Option by giving written notice to Seller within fifteen (15) days of the date Seller sends written notice to Purchaser of the Taking. If Purchaser does not so terminate this Agreement, or shall have no right to terminate this Agreement, then (x) this Agreement shall remain in full force and effect notwithstanding such Taking, (y) Purchaser shall purchase the Premises in its then condition without reduction of the Purchase Price or any adjustment or other claim or offset and (z) Seller shall assign to Purchaser the right to receive any condemnation award payable to Seller as a result of the Taking, net of (A) any reasonable, actual costs of litigating or negotiating the amount of, or collecting, the award and (B) any sums expended by Seller to restore or protect the Premises as a result of the Taking.

10.3. Notwithstanding anything set forth herein to the contrary, Purchaser shall have no right to terminate this Agreement, receive any credit against the Purchase Price or other adjustment or receive any insurance proceeds payable to Seller by reason of any damage or destruction to the Premises that occurs as a result of any act, omission or negligence of Purchaser or any of its employees, contractors or agents.

10.4. Seller shall have complete control of all condemnation proceedings; provided, however, that if Purchaser disagrees with Seller's conduct thereof, it may give Seller thirty (30) days' notice of the reasons for such disagreement and exercising as Termination Option within 30-days thereafter unless Seller agrees with Purchaser's position within said 30-day period.

SECTION 11. Seller's Closing Obligations.

At the Closing, Seller shall execute and (where the document so provides) acknowledge and deliver the following items to Purchaser (with respect to any and all documents requiring execution by Seller, at or prior to Closing, the signatures of any two (2) "parties of the first part" of Seller shall be sufficient, but only if the opinion delivered pursuant to Section 11(m) below so provides or Purchaser is otherwise satisfied as to due execution):

(a) A Bargain and Sale deed (the "Deed"), properly executed and acknowledged in the form annexed hereto and made a part hereof as Exhibit "O";

(b) A bill of sale with respect to the personal property in the form annexed hereto and made a part hereof as Exhibit "P";

(c) An assignment and assumption agreement with respect to the Leases in the form annexed hereto and made a part hereof as Exhibit "Q" (the "Lease Assignment and Assumption");

(d) A general assignment and assumption agreement in the form annexed hereto and made a part hereof as Exhibit "R" (the "General Assignment and Assumption");

(e) A schedule, certified to the knowledge of Seller to be true, correct and complete, setting forth all tenant arrearages and accrued but unpaid minimum and additional rents, expense escalations, tax and other adjustments and charges under the Leases attributable to the period prior to the Closing Date (the "Arrearages and Unpaid Escalations Statement");

(f) The Curtain Wall Agreement and Sidewalk Bridge Agreement, and [if such parties have so consented and delivered same to Seller,] consents by the other parties to such agreements to the assignment thereof (but such consents not being a condition to the Closing), and originals (or copies if originals are not available) of any other Service Contracts;

(g) Keys to all building entrance doors to, and all equipment and utility rooms located in, the Premises, which keys shall be properly tagged for identification;

(h) A schedule, certified to the knowledge of Seller to be true, correct and complete, of all cash, letters of credit and other items of value required as security under the Leases at the time of Closing ("Security Deposits"). All Security Deposits shall be adjusted as provided in Section 13.4(e);

(i) One original letter, in the form of Exhibit "S" annexed hereto and made a part hereof, executed by Seller, advising tenants at the Premises that the Premises have been sold to Purchaser and directing that all future rents and other correspondence should thereafter be sent to Purchaser or as Purchaser may direct;

(j) A non-foreign status affidavit in the form annexed hereto and made a part hereof as Exhibit "T";

(k) [section redacted]

(l) A New York City Real Property Transfer Tax Return and New York State Combined Real Estate Transfer Tax Return and Credit Line Mortgage Certificate with payment in the form reasonably required by the title company and/or the recording office;

(m) An opinion of Winick & Rich, P.C., as to the due execution and authority of Seller with respect to the documents to be delivered by Seller at the Closing, in substantially the form set forth in Schedule "2" annexed hereto and made a part hereof (provided, however, that if there are any changes other than the insertion or change in date(s) and/or reference(s) to documents or events, all changes must be satisfactory to Purchaser in Purchaser's discretion);

(n) Originals (or if originals are not available, copies certified by Seller, to Seller's knowledge, to be true, correct and complete) of all Leases;

(o) Any items in the Title Letter and any other customary affidavits and other items reasonably required by the Title Insurer, which does not require Seller to assume any additional liability than is provided in this Agreement;

(p) Copy of notice of termination (conditional upon and effective at the Closing) and Seller's certificate or other evidence that said notice has been sent, of the leasing/management agreement with current managing agent and any other exclusive agency or leasing agreement in existence on the date of the Closing;

(q) A certificate dated as of the date of the Closing, stating that to Seller's knowledge the representations and warranties of Seller in the form and manner made herein, are true and correct in all material respects and with the same limitations and qualifications, if any, made herein as if made as of the date of the Closing, provided, however, that Seller may update any representations or warranties that have changed between the date hereof and the Closing, provided, however, that in such event, Purchaser may, in its sole discretion, exercise the Termination Option if any changes have a material and adverse effect on Purchaser or the Premises;

(r) A Closing Statement;

(s) Notice of termination of the Service Contracts (excluding the "Excluded Service Contracts", as hereinafter defined) [conditional on and effective at the Closing] and Seller's certificate or other evidence that the notices have been sent;

(t) A rent roll certified to the knowledge of Seller to be true, correct and complete;

(u) If the holder thereof has consented thereto and allowed same to

Seller, assignment of mortgage to Purchaser's designee (not a condition to the Closing);

(v) Prior to the Closing, Seller shall deliver to the Building management office, all tenant files, financial statements, building plans, warranties, guaranties, reports, bills and any other items in Seller's control or possession or in the Building manager's control or possession and reasonably required to operate the Premises. Purchaser agrees to cooperate with Seller and to allow Seller and its representatives to have continued reasonable access to and the right to make copies of the foregoing materials after the Closing. The provisions of the immediately preceding sentence of this subparagraph (v) shall survive the Closing;

(w) [section redacted]

(x) [section redacted]

(y) All other instruments and documents consistent with this Agreement which may be reasonably and customarily required to effect the transaction contemplated herein and within Seller's control, provided that such instruments or documents may be delivered without additional cost or liability to Seller (other than de minimis amounts).

SECTION 12. Purchaser's Closing Obligations.

12.1. At the Closing, Purchaser shall execute and (where the document so provides) acknowledge and deliver the following items to Seller (or the designated Holdback Escrowee, if specifically so provided herein below):

(a) The balance of the Purchase Price to be delivered at the Closing (after application of the Downpayment), including any Additional Purchase Price, as adjusted for apportionments under Section 13 and Section 14 hereof, and less the amounts of the Representations and Warranties Holdback and the [language redacted] which shall be delivered by Purchaser to the Warranties Holdback Escrowee and the [language redacted] as provided herein;

(b) The Lease Assignment and Assumption;

(c) The General Assignment and Assumption;

(d) A New York City Real Property Transfer Tax Return and New York State Combined Real Estate Transfer Tax Return and Credit Line Mortgage Certificate;

(e) The Hearst LOC;

(f) All other instruments and documents consistent with this Agreement which may be reasonably and customarily required to effect the transaction contemplated herein and within Purchaser's control, provided that such instruments or documents may be delivered without additional cost or liability to Purchaser (other than de minimis amounts);

(g) The Warranties Holdback Funds to Warranties Holdback Escrowee to be paid to Seller, subject to the terms and conditions set forth in Section 7.6 hereof, on account of the balance of the Purchase Price not later than nine (9) months after the Closing, except for the Remy Amerique Commission Funds which subject to the terms and conditions set forth in Section 7.6 hereof shall be paid to Seller not later than December 31, 2000;

(h) [section redacted]; and

(i) [section redacted]

12.2. Notwithstanding anything to the contrary contained herein, the obligation of Seller to close title in accordance with this Agreement is expressly conditioned upon the fulfillment by and as of the time of Closing of each of the conditions listed below, each of which may be waived in whole or in part by Seller upon notice to Purchaser;

(a) Purchaser shall have executed and delivered to Seller all of the documents, shall have paid all sums of money and shall have taken or caused to be taken all of the other action required of Purchaser in this Agreement.

(b) All representations and warranties made by Purchaser in this Agreement shall be true and correct in all material respects with same limitations, if any, as contained herein as of the date of the Closing.

12.3. Notwithstanding anything to the contrary contained herein, the obligation of Purchaser to close title and pay the Purchase Price in accordance with this Agreement is expressly conditioned upon the fulfillment by and as of the time of Closing of each of the conditions listed below, each of which may be waived in whole or in part by Purchaser upon notice to Seller.

(a) Seller shall have executed and delivered to Purchaser all of the documents, complied with all covenants and shall have taken or caused to be

taken all of the other action required of Seller under this Agreement.

(b) All representations and warranties made by Seller in the form and manner made in this Agreement shall be true and correct in all material respects and with the same limitations, if any, as contained herein, as if made on and as of the Closing Date, provided, however, that for the purposes of this Section 12, Seller shall not be deemed in breach of any warranty or representation herein (and Purchaser shall remain obligated to Close) unless such breach has a material and adverse effect on Purchaser or the Premises.

(c) The Title Insurer shall be willing to insure title to the Premises pursuant to an ALTA 1992 Owner's Policy of Title Insurance in the amount of the Purchase Price at regular rates and without additional premium (which shall be deemed to include the cost of any customary endorsements to title requested by Purchaser), subject only to the Permitted Exceptions set forth on Exhibit B.

(d) [section redacted]

(e) [section redacted]

(f) Any letter of credit described on Exhibit F which has expired shall have been renewed or replaced.

SECTION 13. Apportionments and Adjustments; Closing Costs.

13.1. Except as otherwise specifically provided herein, Purchaser and Seller shall adjust as of 11:59 p.m. of the day preceding the Closing the items hereinafter set forth. If any such items are not determinable at the Closing, the adjustment shall be made subsequent to the Closing when the amount is determined. Any errors or omissions in computing adjustments at the Closing shall be promptly corrected. The obligations set forth in this Section 13 shall survive the Closing. Except as otherwise specifically provided for herein, all adjustments shall be made in the manner recommended by the Customs in Respect to Title Closings of the Real Estate Board of New York, Inc., and there shall be no other adjustments. Subject to the further provisions of this Section 13 and Section 14, the items to be adjusted are:

(a) Subject to Section 13.4, rents (as used in this Agreement "rents" or "rental" includes all items of additional rent) under Leases which are (x) collected prior to the Closing and (y) applicable to the month in which the Closing occurs. At Closing, Seller shall credit against the Purchase Price the amount of any rents which have been paid to Seller prior to Closing by tenants which rents are attributable to any period from and after the date of Closing. Reference is made to Section 13.4 below for treatment of delinquent rents in the month of the Closing and of post-Closing rental payments and receipts.

(b) Real estate taxes on the basis of the fiscal period for which assessed. If the Closing shall occur before the tax rate is fixed, the apportionment of taxes shall be upon the basis of the tax rate for the next preceding fiscal period applied to the latest assessed valuation. Promptly after the new tax rate is fixed, the apportionment of real estate taxes shall be recomputed. If Seller has made an overpayment of real estate taxes for New York City fiscal year 1998-99 or any earlier fiscal year and any portion of the overpayment is credited towards payment of 1999-2000 (or later) real estate taxes for the Land and Improvements rather than being refunded to Seller, an appropriate adjustment shall be made at Closing (and thereafter as otherwise provided herein) in favor of Seller for its right, title and interest in such credit. Seller shall retain all rights to contest, protest or seek tax reductions for all periods prior to and including tax year 1998-1999, as provided in Section 19.14, and Purchaser shall have full control to contest, protest or seek tax deductions for the tax years after and including 1999-2000.

(c) Water rates, water meter charges, sewer rents, vault charges and Business Improvement District Charges, if any, on the basis of the fiscal period for which assessed. If there is a water meter or meters on the Premises, the unfixed meter charges and the unfixed sewer rent thereon shall be apportioned on the basis of the last reading, and shall be appropriately readjusted after the Closing on the basis of the next subsequent bills. As to any unpaid water charges or sewer rents payable by tenants, Purchaser shall close title and accept the delivery of the deed subject to such unpaid charges and rents and any lien resulting therefrom, without abatement against the Purchase Price, credit or allowance of any kind or any claim or right of action against Seller for damages or otherwise.

(d) Fuel, if any, on the basis of Seller's last cost therefor, including sales tax, as evidenced by a written statement of Seller's fuel oil supplier dated within thirty (30) days of the Closing, which statement shall be conclusive as to quantity and cost.

(e) Charges under all Service Contracts which have not been terminated pursuant to Section 14.3 hereof.

(f) License and permit fees on assignable licenses and permits.

(g) Maintenance supplies in unopened containers based on Seller's actual cost therefor, including sales tax.

(h) Administrative fees allowable by law on tenant security deposits if expressly provided for in the Leases.

(i) New Lease Expenses (as defined and subject to the provisions of Section 14).

(j) Any other item of cost or expense incurred or payable with respect to the ownership, use or operation of the Premises, customary in connection with the sale of a comparable New York City office building, apportioned on the basis of documentary evidence of payments made or due for goods, services and obligations therefor, based on documentary basis of payment or incurring of costs or expenses; provided, however, that in no event shall all such adjustments exceed the aggregate amount of \$10,000.

(k) Purchaser shall receive a credit of [redacted] in respect of the cost of completing the ongoing work with respect to the HVAC Building Management System.

(l) Any other item which, under the terms of this Agreement, is to be apportioned at the Closing.

13.2. At the Closing, the net adjustment pursuant to this Section 13 shall be paid (i) if in favor of Seller, in the same manner as set forth in Section 2 of this Agreement or (ii) if in favor of Purchaser, as a credit against the Purchase Price payable pursuant to Section 2 of this Agreement.

13.3. Purchaser and Seller hereby agree to make, and the Closing Statement prepared at the Closing shall provide to be made, such adjustments and prorations as and when discovered after Closing.

13.4. (a) Rental from tenants and other receipts derived from the operation of the Premises shall belong to Seller to the extent that they relate, or are attributable, to the period up to but not including the date of Closing, and shall belong to Purchaser to the extent that they relate, or are attributable, to the period from and after the date of Closing. Any and all amounts received by Purchaser following Closing for rents due to Seller prior to Closing (including an amount equal to Seller's share of rents receivable for the month in which the Closing occurs) [language redacted].

(b) As to rental payments for fuel pass-alongs, so-called escalation rent, percentage rent, or charges based upon real estate taxes, operating expenses, labor costs, "porter's wage rate," cost of living increases or otherwise (such pass-alongs, escalation rent and charges being collectively called "Overage Rent"), for the applicable accounting period in which the Closing occurs, if the Closing shall occur prior to the time when any such Overage Rent is payable, then such Overage Rent shall be apportioned subsequent to the Closing. Purchaser agrees that it will receive in trust and pay over to Seller a pro-rated amount of such Overage Rent at the end of the calendar year in which the Closing occurs. As to any Overage Rent payable subsequent to the Closing with respect to an accounting period which occurs prior to the Closing, Purchaser agrees that it will receive and hold such Overage Rent in trust for Seller and pay the entire amount to Seller within thirty (30) days of receipt thereof. Seller shall furnish to Purchaser all information with respect to the accounting period in which the Closing occurs which is reasonably necessary for the billing of such Overage Rent. If, prior to the Closing, Seller shall collect any sums on account of Overage Rent or fixed rent for a year or other period, or any portion of such year or other period, beginning prior to but ending subsequent to the Closing, such sum shall be apportioned at the Closing. At the Closing, as part of the Arrearages and Unpaid Escalations Schedule, the parties shall agree to reconcile estimates of payments of expense escalations (and other similar additional rent) under the Leases with actual expense escalations (and other similar additional rent), when such amounts are actually determined by Purchaser after the Closing. Purchaser shall provide to Seller an accounting of all such amounts.

(c) Subsequent to the Closing, Purchaser agrees that it shall promptly render bills for and shall exercise the same diligence in the collection of any fixed rent and Overage Rent due to Seller pursuant to this Agreement as it does in the collection of then current rentals due to Purchaser. Nothing herein contained shall preclude Seller from asserting separate and independent claims against such tenants, including, but not limited to, the institution of such actions or proceedings as Seller shall deem necessary or advisable for the purpose of collecting such past due fixed rent and Overage Rent; provided, however, that subsequent to the Closing no such action or proceeding may affect such tenant's possession and provided that such claims exceed \$25,000.

(d) Except as specifically set forth in this Agreement, Purchaser

acknowledges and agrees that no representation has been made and no responsibility is assumed by Seller with respect to the continued occupancy of any portion of the Premises by any tenant and Seller does not guarantee or undertake to insure that any tenant will be in occupancy at the Closing, and Purchaser agrees that the abandonment, vacation or removal of any tenant(s) prior to the Closing shall not be the basis for any claim on the part of Purchaser or right of action against Seller for damages or otherwise; provided, however, that nothing herein shall be deemed to limit or impair Purchaser's right to exercise the Termination Option.

(e) All Security Deposits, together with accrued interest thereon, if any, and less Seller's proportional share of administrative fees, if any, expressly set forth in the Leases, shall be turned over by Seller to Purchaser at the Closing. Amounts held in the form of cash shall be turned over, at Seller's option, by (i) payment of the amount thereof to Purchaser, or (ii) a credit to Purchaser against the Purchase Price. Any Security Deposit in a form other than cash shall be transferred to Purchaser by way of appropriate instruments of assignment or transfer. If any such non-cash Security Deposits shall not be transferable at Closing, Seller shall nevertheless turn over such Security Deposits to the possession of Purchaser at Closing and shall cooperate with Purchaser's efforts to effect such transfer. Seller hereby designates Purchaser as Seller's agent to act, from and after the Closing, in the name of Seller (but for the benefit of Purchaser) with respect to any such non-cash Security Deposits which remain in the name of Seller after the Closing. Upon request of Purchaser, Seller shall execute powers-of-attorney in favor of Purchaser in furtherance of the foregoing. All costs of transferring non-cash Security Deposits shall be for Seller's account. Purchaser hereby agrees to Indemnify Seller and its Representatives from all losses from any wrongful acts or improper drawings or misapplication of proceeds under any non-cash Security Deposits. Between the date of this Agreement and the Closing, Seller shall not draw on or apply any Security Deposit without the prior written consent of Purchaser. Notwithstanding the foregoing or any other provisions herein to the contrary, except as provided in Section 7.7 (with respect to the Chase Lease) and Section 13.4(a) (with respect to Suite 1802), there shall be no transfers, adjustments or apportionments of any kind with respect to the Chase Lease, Suite 1802 or Suite 2305. The provisions of this Section 13.4(e) shall survive the Closing.

(f) [section redacted]

(g) [section redacted]

(h) [section redacted]

13.5. Without limiting any of the provisions of this Section 13, (a) Purchaser shall pay its attorneys' fees and expenses, recording fees and charges, the cost of the Title Commitment, any and all premiums of any title insurance and endorsements, the cost to obtain a survey of the Land, and (b) Seller shall pay its attorneys' fees and expenses, and the New York State Conveyance Tax in accordance with Article 31 of the New York State Tax Law and the New York City Real Property Transfer Tax in accordance with Title II of Chapter 46 of the Administrative Code of the City of New York and all other transfer, documentary, stamp, deed and similar taxes and recordation taxes and filing fees in connection with the execution and delivery of the Deed.

13.6. Any calculation made in computing any apportionment made pursuant to this Section 13 may be reconfirmed following the Closing, and any errors thereto shall be corrected immediately upon notice from the other party that such error(s) exist. The provisions of this Section 13 shall survive the Closing for twelve (12) months.

SECTION 14. Operation of Premises.

14.1. Subject to the further terms of this Section 14, until the Closing, Seller shall operate the Premises in the ordinary course of business and shall maintain the Premises in substantially the same manner as it is currently being maintained (normal wear and tear excepted); provided, however, that Seller shall not be required to make any capital expenditures with respect to the Premises. If Seller shall make any capital expenditures which (a) are required as a result of an emergency (other than casualty) with notice to and consultation with the Purchaser if reasonable under the circumstances, or (b) are consented to by Purchaser, Seller shall be entitled to a credit for the cost thereof at the Closing equivalent to the period of time from and after the Closing bears to the estimated useful life of the capital expenditure.

14.2. (a) Prior to the Closing, Seller shall not modify, extend, renew, cancel or permit the surrender of any Lease or enter into any new Lease of all or any portion of the Premises without Purchaser's prior written consent. If the Closing has not occurred within 75 days of the Scheduled Closing Date, the Seller, in its sole discretion, may extend, renew, or enter into any new Lease of all or any portion of the Premises, without Purchaser's consent, provided Seller continues to act in accordance with the standards and practices currently employed by Seller at the Premises.

(b) If Seller enters into any new Leases pursuant to this Section

14, or if there is any extension or renewal of any Leases after the date hereof, whether or not such Leases provide for their extension or renewal, or any expansion or modification of any Leases (each, a "New Lease"), Seller shall keep accurate records of all reasonable expenses (collectively, "New Lease Expenses") incurred in connection with each New Lease, including, without limitation, all expenses, or reimbursements to tenants for the following: (i) brokerage commissions and fees, (ii) expenses incurred for repairs and improvements to satisfy the tenant's requirements, (iii) the cost of removal and/or abatement of asbestos, and (iv) legal fees. Notwithstanding the foregoing, all such expenses (other than Non-Termination Commissions) payable in respect of the Remy Amerique Expansion Agreement shall not constitute "New Lease Expenses", but shall be paid by Seller or, to the extent not paid on or before the Closing Date, credited against the Purchase Price.

(c) The New Lease Expenses for each New Lease allocable to and payable by Seller shall be determined by multiplying the amount of such New Lease Expenses by a fraction, the numerator of which shall be the number of days contained in that portion, if any, of the term of such New Lease commencing on the commencement date thereof ("Commencement Date") and expiring on the date immediately preceding the Closing Date, and the denominator of which shall be the total number of days contained in the period commencing on the Commencement Date and expiring on the date of the scheduled expiration of the term of such New Lease, and the remaining balance of the New Lease Expenses for each New Lease shall be allocable to and payable by Purchaser.

14.3. To Seller's knowledge, Exhibit "V" annexed hereto and made a part hereof contains a true and correct list of all service agreements, maintenance contracts, contracts for the purchase or delivery of labor, services, utilities, materials, goods, inventory or supplies, cleaning contracts, equipment rental agreements or leases ("Service Contracts") affecting the Premises. Seller shall not at any time following the date hereof, without Purchaser's prior written consent, enter into any new Service Contract (or renew or extend any existing Service Contracts) which shall not be cancelable immediately without cost. Within 5 business days after the execution and delivery of this Agreement, Seller shall give notice of termination (or cause such notice to be given) for all the Service Contracts (except as set forth below), each such termination to be conditional on the Closing and effective on the later of (a) the Closing Date and (b) the earliest date permitted under the respective Service Contract, and, if the Closing Date shall occur before the earliest date permitted for the termination of any Service Contract, Purchaser shall assume and remain obligated thereunder for the period from the Closing to the date of termination of such Service Contract pursuant to Exhibit "R". Notwithstanding the foregoing, Purchaser acknowledges and agrees that the Service Contracts with Xerox and AFA Fire Protection (collectively, "Excluded Service Contracts") shall not be terminated by Seller, but shall be assigned by Seller and assumed by Purchaser, pursuant to Exhibit "R" as aforesaid. The provisions of this Section 14.3 shall survive the Closing.

14.4. [section redacted]

14.5. [section redacted]

SECTION 15. Broker.

15.1. Each of Seller and Purchaser represents and warrants to the other that it has dealt with no broker, finder or other person who is entitled, by reason of dealing with the indemnifying party, to any fee, commission or other similar compensation in connection with the transaction contemplated by this Agreement other than Cushman & Wakefield, Inc. (the "Broker") Seller represents and warrants that it shall be solely responsible for the payment of any and all fees, commissions or other compensation due to the Broker in connection with this transaction pursuant to a separate agreement previously entered into between Seller and Broker.

15.2. Purchaser shall indemnify, defend and hold harmless Seller, its agents, employees and representatives from and against any and all losses, costs, liabilities, claims, damages or expenses (including, without limitation, reasonable attorneys' fees and costs) arising out of the breach of Purchaser's representations or warranties contained in this Section 15.

15.3. Seller shall indemnify, defend and hold harmless Purchaser, its agents, employees and representatives from and against any and all losses, costs, liabilities, claims, damages or expenses (including, without limitation, reasonable attorneys' fees and costs) arising out of the breach of Seller's representations or warranties contained in this Section 15.

15.4. The representations, warranties and indemnities contained in this Section 15 shall survive the Closing or, if the Closing does not occur, the termination of this Agreement, for a period of nine (9) months.

SECTION 16. Notices.

16.1. All notices under this Agreement shall be in writing, shall refer to this Agreement and shall be (a) delivered personally, (b) sent by registered or certified mail, postage prepaid, return receipt requested, or

(c) sent by a nationally recognized overnight courier. Notices shall be deemed given on the first business day on or after receipt or refusal thereof. Except as otherwise expressly provided in this Agreement, all notices shall be given in accordance with the above as follows:

[language redacted]

with a copy to:

Gibson, Dunn & Crutcher LLP
200 Park Avenue
New York, New York 10166
Attention: Andrew H. Levy, Esq.
Telephone No.: 212-351-4037
Fax No.: 212-351-4035

If to Purchaser:

c/o Reckson Associates Realty Corp.
10 East 50th Street
New York, New York 10022
Attention: Philip M. Waterman III
Jason Barnett, Esq.
Telephone No.: 212-715-6522
Fax No.: 212-715-6535

with a copy to:

Fried, Frank Harris Shriver & Jacobson
One New York Plaza
New York, New York 10004-1980
Attention: Joshua Mermelstein, Esq.
Telephone No.: 212-859-8137
Fax No.: 212-859-4000

16.2. Any counsel designated above or any replacement counsel which may be designated by Purchaser and/or Seller by written notice to the other party is hereby authorized to give notices hereunder on behalf of its respective client.

SECTION 17. Limitation on Survival of Representations, Warranties and Obligations.

17.1. Except as expressly set forth herein to the contrary, no representations, warranties or obligations of Seller or Purchaser set forth in this Agreement shall survive the Closing or earlier termination of this Agreement.

17.2. The delivery of the Deed by Seller and the acceptance thereof by Purchaser and the delivery by Purchaser of the consideration required of Purchaser to Seller hereunder shall be deemed the full performance and discharge of every obligation on the part of such party to be performed hereunder, except those obligations of Seller and Purchaser, respectively, which are expressly stated in this Agreement to survive the Closing.

SECTION 18. Prohibition of Recording.

Neither Seller nor Purchaser shall record, or arrange to record, this Agreement or any memorandum thereof with any filing office in any jurisdiction.

SECTION 19. Miscellaneous.

19.1. Purchaser shall not sell, assign, convey or otherwise transfer all or any portion of its rights or interest under this Agreement without the prior written consent of Seller, which consent may be arbitrarily withheld by Seller for any reason or no reason, provided, however, that Purchaser shall be permitted to assign its rights under this Agreement without the consent of Seller only at and conditioned upon the Closing to an Affiliate of the Purchaser. Affiliate shall mean an entity which is owned, directly or indirectly, at least 51% by the Purchaser. If said assignee does not have a net worth of at least \$500 million dollars then Purchaser shall deliver to Seller at the Closing an unconditional, primary guarantee from Purchaser or an Affiliate of Purchaser which has a net worth of at least \$500 million dollars, in form satisfactory to Seller ("Guarantor"), with respect to all post-closing obligations of said assignee. At the Closing, Purchaser shall provide a current balance sheet or other evidence reasonably satisfactory to Seller, certified in writing by Purchaser, which establishes that assignee's or Guarantor's net worth, as the case may be, is at least \$500 million dollars.

19.2. This Agreement shall be governed solely by, and construed solely in accordance with, the internal laws of the State of New York.

19.3. The captions contained in this Agreement were inserted for convenience of reference only and shall in no way define, describe or limit the scope or intent of this Agreement or any of the provisions hereof.

19.4. This Agreement shall be binding upon, and shall inure to the benefit of, the successors and permitted assigns of the parties hereto.

19.5. Time shall be of the essence as to each party's performance of all of its obligations under this Agreement; provided, however, that neither party shall be deemed in breach of its obligations hereunder (other than those contained in Section 2 or those required to be performed at the Closing) if such party shall fully perform its obligations within two (2) business days of the date otherwise specified for performance.

19.6. Nothing contained in this Agreement is intended to confer upon any person, other than the parties hereto and their respective successors and permitted assigns, any rights, remedies, obligations or liabilities under, or by reason of, this Agreement.

19.7. This Agreement is a contract for the sale of the Premises only and is not intended to be, and should not be construed as, an agreement of lease for the Premises, an installment sales contract, or a contract for deed.

19.8. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument, with the same effect as if each party had executed all counterparts.

19.9. The parties agree that prior to the Closing Date no party nor any Affiliate shall, with respect to this Agreement and the transactions contemplated hereby, contact or conduct negotiations with public officials, make any public pronouncements, issue press releases or otherwise furnish information regarding this Agreement or the transactions contemplated hereby to any third party (other than Broker, attorneys, accountants, prospective title insurers or any lending institution having a lien or intending to have a lien on the Premises or as required by law), without the consent of the other party, which consent shall not be unreasonably withheld, delayed or conditioned it being agreed that the parties may respond to inquiries from the press so long as they do not disclose any economic or other material terms of this Agreement which have not been previously disclosed as permitted hereunder.

19.10. Purchaser agrees that, notwithstanding any contrary provisions of this Agreement, Purchaser shall look only to the Seller's estate and interest in the Premises and the holdback provided for in Section 7.6 (to the extent not released to Seller pursuant to Section 7.6(g) hereof) for the collection of a judgment (or other judicial process) requiring the payment of money by Seller, and no other property or assets of the Seller or any direct or indirect partner, joint venturer, member, officer, or representative or any affiliate thereof, disclosed or undisclosed (collectively, "Seller's Principal"), shall be subject to levy, execution or other enforcement procedure for the satisfaction of any judgment against Seller. Purchaser shall not name any Seller's Principal as a defendant in any legal action relating to this Agreement. Without limiting the foregoing, Purchaser shall not look to or make any claim whatsoever against any proceeds of the Purchase Price (other than any holdbacks or escrows provided for in this Agreement), any prorations or adjustments which are required to be made in favor of or paid to Seller by Purchaser after the Closing, or any other monies released or distributed to or in the possession of the Seller or any Seller's Principal (including monies released from holdbacks or escrows). The provisions of this Section 19.10 shall survive the Closing.

19.11. Submission of drafts of this Agreement for examination or execution by Purchaser shall not bind Seller in any manner or be construed as an offer to sell, and no contract or obligation of Seller shall arise until this instrument is executed and delivered by both Seller and Purchaser and the Downpayment has been received by the Escrowee.

19.12. Any sums due after the Closing by either party hereto to the other, if not paid within thirty (30) days after the obligation to pay arises, shall bear interest at the lesser of (a) 2% over the Chase prime rate in effect from time to time in New York City per annum or (b) the maximum rate permitted by law from the time such obligation arises until payment. The provisions of this Section 19.12 shall survive the Closing.

19.13. The parties hereto agree that no part of the Purchase Price shall be deemed to have been paid by Purchaser for any Personal Property transferred hereunder. Sales or use taxes, if any, payable by reason of the sale of any of the Personal Property shall be the sole responsibility of and shall be paid by Purchaser, and Purchaser shall Indemnify Seller and its Representatives with respect thereto. The indemnity set forth in the preceding sentence shall survive Closing.

19.14. Seller shall in Seller's discretion commence or continue any proceeding for the reduction of the assessed valuation of the Premises for tax years prior to, but not including, the New York City fiscal year 1999-2000. Purchaser shall in Purchaser's discretion commence or continue any proceeding for the reduction of the assessed valuation of the Premises for New York City

fiscal year 1999-2000 and all subsequent tax years, provided, however, that the net refund or credit of taxes, if any, for the 1999-2000 tax year shall be divided between Seller and Purchaser in accordance with the proportion which the period covered by such refund or credit in which the Premises was owned by Seller bears to the entire period covered, after deducting therefrom a pro rata share of all expenses, including counsel fees, incurred in obtaining such refund or credit (the allocation of such expenses to be based upon the total refund or credit obtained in the proceeding and in any other proceeding simultaneously involved in the trial or settlement). Purchaser shall deliver to Seller, upon demand, receipted tax bills and canceled checks used in payment of such taxes and shall execute any and all consents or other documents, and do any act or thing necessary for the collection of such refund or credit by Seller. With respect to real estate tax refunds or credits with respect to the Premises relating to fiscal years prior to the Closing which may be required to be reimbursed to tenants at the Premises Purchaser and Seller shall enter into an escrow arrangement in the form attached hereto as Exhibit "Z" and made a part hereof, on or prior to the Closing Date, for the deposit of such refunds into escrow pending the payment of such reimbursement to the tenants, and returning all excess funds to Seller for all years prior to 1999-2000, and for an equitable apportionment of the excess funds between Seller and Purchaser for the year 1999-2000. The provisions of this Section 19.4 shall survive the Closing.

19.15. This Agreement cannot be modified, changed or discharged except by an agreement in writing, signed by the party or parties against whom enforcement of such modification, change or discharge is sought (and, in the case of Seller, which Seller intends to have executed by any two (2) of the "parties of the first part" of Seller, on behalf of Seller, who have authority to execute such documents).

19.16. If Seller intends to make a Unit Election (as defined below), and provided that Seller and Purchaser are able to agree on the terms (including, but not limited to, the valuation of units) of the Unit Election as hereinafter set forth, then immediately prior to the Closing, Seller may transfer the Premises to a special purpose limited liability company ("SPE") and may distribute its membership interests in the SPE to the present joint venture members of Seller, subject to the rights and obligations provided for under this Agreement. In such a case, (a) this Agreement shall automatically become an agreement by Purchaser to purchase, and an agreement by the SPE members to sell or exchange, all of the SPE membership interests for consideration equal to the Purchase Price consisting of cash and Units, as described and based upon the terms and conditions set forth herein and (b) Seller shall indemnify and hold Purchaser harmless (which indemnity shall survive the Closing) from and against any and all liabilities or obligation of the SPE which accrue prior to the Closing. Upon written notice (the "Unit Election Notice") given to Purchaser not less than 10 days prior to the Closing, not more than 20 of the members of Seller shall have the option to take a portion, but in no event less than \$10,000,000.00 in the aggregate, of the Purchase Price in the form of common units of Reckson Operating Partnership, L.P. ("Units"); provided, that each of Seller's members that makes the election to receive a portion of the Purchase Price in the form of Units (the "Unit Election") shall agree to those representations, warranties and restrictions as set forth on Schedule "4" annexed hereto and any other terms which Purchaser shall reasonably require. The Unit Election Notice shall describe the amount of cash and the Units to be received by each such member in exchange for its membership interest in the SPE. If Purchaser and Seller agree to the terms provided for in the Unit Election, any amendments to this Agreement as may be necessary to permit the Unit Election and to permit the members of Seller to receive such Units shall be made without any increase in the respective obligations or liabilities or any decrease in the respective rights of the parties (except as may be required hereunder to permits the Units to be used as consideration for the sale). Such amendments may include, without limitation, at Seller's option, Seller's appointment of an administrator or custodian to receive and disburse, on behalf of all SPE members, the balance of the Purchase Price and all prorations, adjustments and refunds which are payable after the Closing. If Purchaser and Seller do not, on or before the Closing Date, agree, in each party's sole discretion, to the terms provided for in the Unit Election, then the Unit Election shall be deemed null and void, Seller shall not transfer the Premises to the SPE and Seller and Purchaser shall proceed with the sale of the Premises in accordance with this Agreement as if the Unit Election Notice had never been given. It is expressly acknowledged and agreed that if, for any reason or no reason, the Unit Election does not occur, or if the Unit Election has occurred but if for any reason any SPE member who was to receive Units in accordance with the Unit Election does not accept the Units, this Agreement shall remain in full force and effect and the parties' obligations to each other shall not be affected thereby. In such latter case, the portion of the Purchase Price allocated to the Units that are not accepted shall be paid in cash at the Closing. The parties intend that any exchange of SPE membership interests for Units qualify as a tax-free exchange under Section 721 of the Internal Revenue Code. In no event shall any transfer of the Premises by Seller to an SPE or any resulting transfer of this Agreement, operate to release Seller from any and all obligations or liabilities under this Agreement.

19.17. Other than that certain confidentiality letter, dated as of August 24, 1999, from Purchaser to Seller and to Cushman & Wakefield, Inc.

(the "Confidentiality Agreement") [but excluding paragraph 5 of the Confidentiality Agreement, which paragraph 5 is superseded by this Agreement], this Agreement contains the entire agreement of the parties [language redacted].

19.18. [section redacted]

19.19. [section redacted]

[language redacted]

PURCHASER: RECKSON OPERATING PARTNERSHIP, L.P.

Federal Employer Identification Number # _____ By: Reckson Associates Realty Corp.

By: /s/ Jason Barnett

Name: Jason Barnett
Title: Executive Vice President

THE UNDERSIGNED JOINS IN THE EXECUTION HEREOF SOLELY FOR THE PURPOSE OF AGREEING TO ACT AS "ESCROWEE" PURSUANT TO THE PROVISIONS OF THIS AGREEMENT RELATING TO THE ESCROW OF THE ESCROW FUNDS.

GIBSON, DUNN & CRUTCHER LLP

By: /s/ Richard M. Ross

Name: Richard M. Ross, Partner

THE UNDERSIGNED JOINS IN THE EXECUTION HEREOF SOLELY FOR THE PURPOSE OF AGREEING TO ACT AS "WARRANTIES HOLDBACK ESCROWEE" AND "CHASE HOLDBACK ESCROWEE", RESPECTIVELY, PURSUANT TO THE TERMS OF THIS AGREEMENT RELATING TO THE ESCROW OF THE WARRANTIES HOLDBACK FUNDS AND THE CHASE HOLDBACK FUNDS.

FRIED FRANK HARRIS SHRIVER & JACOBSON

By: /s/ Eric Feuerstein

Name: Eric Feuerstein