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): March 18, 1998

SL GREEN REALTY CORP.
(Exact name of Registrant as specified in its Charter)

Maryland

(State of Incorporation)

1-13199
(Commission File Number) 13-3956775
(IRS Employer Id. Number)

70 West 36th Street
New York, New York 10018
(Address of principal executive offices) (Zip Code)

(212) 594-2700
(Registrant's telephone number, including area code)

ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS

On March 18, 1998, SL Green Realty Corp. (the "Company") acquired from the Helmsley organization two properties at 420 Lexington Avenue, New York, New York (the Graybar Building) and 1466 Broadway, New York, New York (collectively the "Helmsley Properties") for an aggregate purchase price of approximately $144.0 million, including closing costs.

The Graybar Building, a 31-story building encompassing approximately 1.2 million rentable square feet, overlooks Grand Central Terminal, a central transportation hub that is currently undergoing extensive renovations. 1466 Broadway, a 16-story landmark building encompassing approximately 290,000 rentable square feet is located at the corner of 42/nd/ Street and Broadway, the heart of the Times Square redevelopment area. As of December 31, 1997, the Graybar Building was 83% leased and 1466 Broadway was 87% leased.

The purchase price of the Helmsley Properties was funded with proceeds from an interim debt financing in the aggregate amount of $275 million through Lehman Brothers Holdings, Inc. (the "Bridge Facility"). The Company based its determination of the price to be paid on the expected cash flow, physical condition, location, competitive advantages, existing tenancy and opportunities to retain and attract additional tenants. The Company did not obtain independent appraisals on the properties.

ITEM 5. OTHER EVENTS

On December 18, 1997, the Company entered into a $140 million senior unsecured revolving credit facility with Lehman Brothers Holdings Inc. (the "Credit Facility") which was subsequently syndicated to a group of participating banks (the "Credit Facility Banking Group"). In January 1998, the Company asked the Credit Facility Banking Group to temporarily relieve the Company from its obligations under the financial covenants of the Credit Facility, in order to close the Bridge Facility. The Bridge Facility, in addition to financing the Helmsley Properties, will pay off the outstanding balance on the Company's unsecured line of credit and provide ongoing liquidity for future acquisition and corporate needs. The term of this loan is one year. The interest rate is determined by a schedule of the percent of commitment outstanding and duration of the outstanding amounts, ranging from 170 basis points over the London Interbank Offered Rate ("LIBOR") to 300 basis points over LIBOR. The constituent banks are eligible to participate in this term loan. The Credit Facility will remain committed but unused until the Bridge Facility is paid off through either permanent debt or an equity financing and the Company's financial covenant obligations are restored.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

(a) and (b) Financial Statements of Property Acquired and Pro Forma Financial Information

The financial statements and pro forma financial information required by Item 7(a) and 7(b) are currently being prepared and it is therefor impractical to provide this information on the date hereof. The Company will file the required financial statements and information under cover of Form 8-K/A as soon as practicable but in no event later than 60 days after the date on which this Form 8-K was required to be filed.

(c) Exhibits

2.1 Form of Agreement of Sale and Purchase dated as of January 30, 1998 between Graybar Building Company, as Seller, and SL Green Operating Partnership, L.P., as Purchaser

2.2 Form of Agreement of Sale and Purchase dated January 30, 1998 between 1466 Broadway Associates, as Seller, and SL Green Operating Partnership, L.P., as Purchaser

5.1 Loan Agreement between SL Green Operating Partnership, L.P. and Lehman Brothers Holdings Inc., et al., dated as of March 20, 1998 (the "Bridge Facility")

5.2 Agreement of Spreader, Consolidation and Modification of Mortgage between SL Green Operating Partnership, L.P. and Lehman Brothers Holdings Inc. dated as of March 20, 1998.

5.3 Pledge and Security Agreement between SL Green Operating Partnership, L.P. and Lehman Brothers Holdings Inc., dated March 20, 1998

5.4 Assignment of Mortgage between SL Green Operating Partnership, L.P. and Lehman Brothers Holdings Inc. relating to 35 West 43rd Street

5.5 Assignment of Mortgage between SL Green Operating Partnership, L.P. and Lehman Brothers Holdings Inc. relating to 17 Battery Place

SIGNATURES

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

SL GREEN REALTY CORP.

By: /s/ David J. Nettina

David J. Nettina
Executive Vice President, Chief Operating Officer and Chief Financial Officer

Date March 31, 1998

AGREEMENT OF SALE AND PURCHASE

between

GRAYBAR BUILDING COMPANY,

SELLER

and

SL GREEN OPERATING PARTNERSHIP, L.P.,

PURCHASER

Date: January __, 1998

PREMISES:

420 LEXINGTON AVENUE
THE GRAYBAR BUILDING
NEW YORK, NEW YORK

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LIST OF DEFINED TERMS

AGREEMENT OF SALE AND PURCHASE (this "Agreement") is made and entered into as of the _____ day of _____, 1998, by and between GRAYBAR BUILDING COMPANY, a New York general partnership, having an office c/o Helmsley Enterprises, Inc., 230 Park Avenue, New York, New York 10169 ("Seller"), and SL GREEN OPERATING PARTNERSHIP, L.P., a Delaware limited partnership, having an office at 70 West 36th Street, New York, New York 10018 ("Purchaser").

W I T N E S S E T H :
- - - - - - - - - -

Seller hereby agrees to sell and convey to Purchaser, and Purchaser hereby agrees to purchase from Seller, upon the terms and conditions hereinafter set forth, tenant's interest in a leasehold estate in the office building known as the Graybar Building and located at 420 Lexington Avenue, New York, New York (the "Property," as such term is defined in Article 1 hereof).

NOW THEREFORE, in consideration of the premises and of the mutual covenants and agreements hereinafter set forth, and subject to the terms and conditions hereof, Seller and Purchaser hereby covenant and agree as follows:

ARTICLE 1

INCLUSIONS IN SALE AND EXCLUSIONS

1.1 The term "Property" shall mean the following:

1.1.1 All of Seller's right, title and interest as tenant in and to that certain Lease made by and between Precision Dynamics Corporation, as Landlord, and Graybar Building Company as Tenant, dated as of June 1, 1964, and recorded in the Office of the Register of the City of New York, New York County in Liber 5293 Cp. 35 (the "Operating Sublease"), which affects the land described on Schedule "A" annexed hereto (the "Land").

1.1.2 All of Seller's right, title and interest under the Operating Sublease, if any, in and to the buildings, structures and improvements, together with the tenements, hereditaments and appurtenances thereto belonging or in any way appertaining, now erected or situate on the Land (collectively, the "Building").

1.1.3 All of Seller's right, title and interest in and to the fixtures, equipment, machinery and personal property used in connection with the operation of the Property and owned by Seller, and not being the property of any space tenant, occupant at the Property, manager or leasing agent, or any other party.

1.1.4 All right, title and interest of Seller under the Operating Sublease, if any, in and to any land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Land, to the center line thereof, and any strips and gores adjacent to the Land, and all right, title and interest of Seller, if any under the Operating Sublease, in and to any award made or to be made in lieu thereof and in and to any unpaid award for damage to the Land and Building by reason of change of grade of any street.

1.1.5 All of lessor's interest in space leases now or hereafter covering offices, stores and other spaces situate at or within the Building (the "Space Leases") and all of the right, title and interest of the Seller under the Space Leases (from and after the "Closing," as such term is defined in Section 13.1 hereof), and, subject to the provisions of Section 13.1.11 hereof, all security deposits paid or deposited by space tenants or occupants in respect of Space Leases (individually, a "Tenant" and collectively, the "Tenants"), applicable to Tenants in possession under the Space Leases at Closing, which shall not have been applied in accordance with the provisions of such Space Leases.

1.1.6 All right, title and interest of Seller, if any, under the Operating Sublease, in and to any easements, rights-of-way, interests, appurtances and other rights of any kind relating to or pertaining to the Land.

1.2 The term "Property" shall exclude the following:

1.2.1 Any existing cause of action, or damage claim, of Seller.

1.2.2 All rights and interests of Seller as tenant under the Operating Sublease or as Landlord under a Space Lease arising prior to the Closing (including but not limited to, tax refunds, casualty or condemnation proceeds, applied tenant deposits, utility deposits, rent in arrears and rent escalations) attributable to periods prior to Closing.

ARTICLE 2

PURCHASE PRICE

2.1 Purchase Price. The purchase price for the Property to be paid by Purchaser to Seller shall be the amount of Seventy-Eight Million Dollars ($78,000,000.00) (the "Purchase Price").

2.2 Payment of Purchase Price. Purchaser agrees to pay the Purchase Price to Seller as follows:

2.2.1 Deposit. Seven Million Eight Hundred Thousand Dollars ($7,800,000.00) (the "Deposit") paid simultaneously herewith by Purchaser's certified check or cashier's check, subject to collection, in the amount of such sum payable to the direct order of "Bachner, Tally, Polevoy & Misher LLP, as escrow agent," drawn on a bank which is a member of The New York Clearing House Association. In the event such check fails to be paid by the bank upon which it is drawn on first presentment, other than as a result of an error of the drawee bank, then any rights of Purchaser hereunder may be terminated by notice given by Seller to Purchaser. The proceeds of such Deposit and all interest accrued thereon shall be held in escrow and shall be payable in accordance with Article 24 hereof.

2.2.2 Payment at Closing. Seventy Million Two Hundred Thousand Dollars ($70,200,00.00) (the "Cash Balance") shall be paid by Purchaser to Seller at the Closing. The Cash Balance shall be paid by wire transfer of immediate clearance "Federal Reserve Funds" (as such term is hereinafter defined) to such account and bank as Seller may, in writing, designate, provided that Seller may designate on one (1) business days notice that the Cash Balance be wire transferred to not more than three (3) designated recipients. As used herein, the term "Federal Reserve Funds" shall be deemed to mean the receipt by a bank or banks in the continental United States designated by Seller of U.S. dollars in form that does not require further clearance, and may be applied at the direction of Seller by such recipient bank or banks on the day of receipt of advice that such funds have been wire transferred. The description of the manner in which such funds are to be

transmitted and the number of designated recipients thereof shall apply with respect to the Cash Balance as well as to any other funds to be paid to Seller hereunder, including but not limited to any funds to be paid to Seller as a result of the adjustments to be made pursuant to Article 13 hereof.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES

3.1 Representations of Seller. Seller hereby represents and warrants to Purchaser that the following facts and conditions exist on the date hereof, to the best of Seller's knowledge:

3.1.1 Space Leases. (a) The only Space Leases as of the date hereof are those listed on Schedule "B" annexed hereto (the "Schedule of Space Leases"). A copy of each of the Space Leases set forth on Schedule "B" has been reviewed by Purchaser and/or its counsel and delivered by Seller to Purchaser simultaneously herewith in velobound binders (the "Space Lease Binders") and initialed by Seller and Purchaser and/or their respective counsel. No representation is made as to (i) possible assignments of any Space Leases not consented to by Seller, or (ii) any subleases or underleases.

(b) Seller does not warrant that any particular Space Lease will be in force or effect at the Closing or that the Tenants will have performed their obligations thereunder. The termination of any Space Lease prior to the Closing shall not affect the obligations of Purchaser under this Agreement, or entitle Purchaser to an abatement of or credit against the Cash Balance, or give rise to any other claim on the part of Purchaser.

(c) If any space in the Building is vacant on the Closing Date, Purchaser shall accept the Property subject to such vacancy, provided that the vacancy was not permitted or created by Seller in violation of any restrictions contained in this Agreement.

(d) The rent roll attached hereto as Schedule "D" (the "Rent Roll") contains a list of:

(i) all Tenants of the Property as of the date hereof;

(ii) the premises in the Building leased to each Tenant;

(iii) the base rent billed to Tenants during the month of December, 1997 and additional rent (exclusive of real estate tax escalation amounts) billed to Tenants during the month of December, 1997; and

(iv) the security deposit, if any, held by Seller with respect to each Tenant as of October 31, 1997.

To the best of Seller's knowledge, the information contained on the Rent Roll is true and correct in all material respects. With respect to any monetary amounts described on the Rent Roll, the term "true and correct in all material respects" shall be construed to mean that, to the extent the Rent Roll overstates or understates the actual amounts of such items, the net adverse economic effect on Purchaser of such understatements or overstatements in the aggregate does not exceed an amount equal to four (4%) percent of the Purchase Price.

3.1.2 Service and Maintenance Agreements. The only service and maintenance agreements affecting the Land or Building as of the date hereof are those listed on Schedule "E" annexed hereto (the "Service and Maintenance Agreements"). A copy of each the Service and Maintenance Agreements set forth on Schedule "E" has been reviewed by Purchaser and/or its counsel and delivered by Seller to Purchaser simultaneously herewith in velobound binders (the "Service and Maintenance Agreement Binders") and initialed by Seller and Purchaser and/or their respective counsel.

3.1.3 Brokerage Agreements. The only written agreements for the payment of leasing commissions in connection with the Space Leases as of the date hereof are those listed on Schedule "F-1" annexed hereto (such agreements, together with any additional such agreements made in accordance with the provisions of this Agreement, collectively, the "Brokerage Agreements"). A copy of each existing Brokerage Agreement has been delivered by Seller to Purchaser simultaneously herewith in velobound binders (the "Brokerage Agreement Binders") and initialed by Seller and Purchaser and/or their respective counsel. Schedule "F-2" annexed hereto sets forth a list of all (i) commissions which have been earned and are payable under the Brokerage Agreements prior to the date of this Agreement which have not been paid, and (ii) any commissions already earned under the Brokerage Agreements and which are payable in one or more installments after the date of this Agreement. Brokerage commissions payable under the Brokerage Agreements shall be adjusted and prorated between Seller and Purchaser as provided in Article 13 hereof.

3.1.4 Employees. The only employees of Seller or Seller's managing agent engaged in the operation or maintenance of the Property are listed on Schedule "G-1" annexed hereto. Schedule "G-1" also sets forth the position and current salary or wage rate of each such employee as of the date

of this Agreement. Except as set forth on Schedule "G-2" annexed hereto, Seller has no written agreements relating to Building employees, including, without limitation, union agreements, collective bargaining agreements, employee benefit plans, and/or employment agreements covering Building employees.

3.1.5 Underlying Documents -- Operating Sublease. (a) The Operating Sublease is described in Schedule "C" annexed hereto. A velobound copy of the Operating Sublease has been delivered by Seller to Purchaser simultaneously herewith (the "Operating Sublease Binder").

(b) All basic rent payable under the Operating Sublease has been paid through the current calendar month, and as of the Closing Date all basic or fixed rent payable under the Operating Sublease shall have been paid through the last day of the calendar month in which the Closing Date occurs. "Overage Rent", as such term is used in the Operating Sublease, shall be adjusted as provided in Article 13 herein.

(c) The Operating Sublease shall be in full force and effect on the Closing Date.

(d) The consummation of the transactions contemplated in this Agreement including the grant of consents herein required and the performance of requirements for assignment set forth in the Operating Sublease, including the execution and delivery of an assignment and assumption agreement, will not result in a default under the Operating Sublease, nor give the lessor thereunder a right to terminate the Operating Sublease.

(e) To the best of Seller's knowledge with respect to the "Underlying Leases" (as such term is hereinafter defined):

(i) Each is in full force and effect and will be on the Closing Date; and

(ii) The consummation of the transaction contemplated in this Agreement including the grant of consents herein required and the performance of requirements for assignment set forth in the Underlying Leases and the Operating Sublease including the execution and delivery of an assignment and assumption will not result in a default under the Operating Sublease.

3.1.6 No Foreign Person. Seller is not a "foreign person" as such term is defined in Section 1445 of the Internal Revenue Code of 1954, as amended (the "Code"), nor will the sale transaction herein contemplated be subject to Section 897 of the Code or to the withholding requirements of Section 1445 of the Code.

3.1.7 Incomplete Landlord's Work and Unpaid Work Allowances. Schedule "M-1" annexed hereto sets forth a list of items of construction or leasehold improvement work remaining to be performed by Seller with respect to the occupancy of any Tenant pursuant to the provisions of such Tenant's Space Lease. Schedule "M-2" annexed hereto sets forth a list of remaining contributions to be made by Seller with respect to construction or leasehold improvement work being performed or which had been performed or remains to be performed by Tenant for its occupancy pursuant to the provisions of such Tenant's Space Lease.

3.1.8 Litigation. Seller has received no written notice of any (i) pending condemnation or similar proceeding affecting the Property or any portion thereof, or (ii) pending legal action, suit, arbitration, order or judgment, government investigation or proceeding, in any case affecting the Property or Seller (but not the partners, members or principals of Seller, as the case may be) except for (x) claims and actions which are covered by insurance and (y) those actions described on Schedule "N" annexed hereto.

3.2 Reliance upon Document Binders. The Space Lease Binders, Brokerage Agreement Binders, Service and Maintenance Agreement Binders, Operating Sublease Binder and Underlying Leases Binder are hereinafter collectively called the "Document Binders." The instruments set forth in the Document Binders constitute the sole reliance by Purchaser with respect to the matters therein set forth and not the Schedules and Exhibits annexed hereto, Purchaser acknowledging that, in the event of any conflict between the matters set forth in any instrument in a Document Binder and any representation contained in this Agreement or Schedules and Exhibits annexed hereto, Purchaser has relied solely upon the instrument as set forth in the Document Binders in entering into this Agreement.

3.3 Authority and Binding Effect; No Breach or Prohibition. Each party hereto represents to the other that each person or entity executing this Agreement by or on behalf of the representing party has the authority to act on its behalf and to bind it, and that each person or entity executing any closing documents by or on its behalf, has been or will be duly authorized to act on its behalf, and that the performance of this Agreement will not be in violation of its by-laws, charter, operating or partnership agreement, or any law, ordinance, rule, regulation or order of any governmental body having jurisdiction, or the provisions of any agreements to which it is a party or by the terms of which it is bound, and, at the Closing, each party shall furnish to the other party and to the "Title Company" (as such term is

defined in Section 5.1 hereof), reasonably satisfactory evidence of such authority and approval. This Section shall survive the Closing.

3.4 Purchaser's Knowledge; Disclosure. To the extent that Purchaser has, subsequent to the date hereof, actual knowledge of any default or any misrepresentation or incorrect warranty of Seller made in this Agreement or in the Document Binders, Purchaser shall promptly notify Seller of same. Reference is made to Section 21.1 hereof with respect to the effect of Purchaser's knowledge of any misrepresentation or incorrect warranty at or before the Closing Date.

3.5 Disclaimer of Representations and Warranties. Purchaser acknowledges that except as expressly provided herein, neither Seller nor anyone acting for or on behalf of Seller has made any representation, warranty, or promise to Purchaser concerning: (a) the physical aspect and condition of any portion of the Property; (b) the feasibility or desirability of the purchase of the Property; (c) the market status, projected income from or development expenses of the Property; (d) the Property's compliance or non-compliance with any requirements of laws; or (e) any other matter whatsoever with respect to the Property (except as contained herein), express or implied, including, by way of description but not limitation, those of fitness for a particular purpose, tenantability, habitability and use; and that all matters concerning the Property are to be independently verified by Purchaser. Purchaser acknowledges that except as otherwise expressly provided in this Agreement, it is purchasing the Property in its currently existing physical condition and in its currently existing state of repair.

3.6 Right to Adjourn Closing. Seller shall have the right to adjourn the Closing for up to ninety (90) days for the purpose of curing any default, misrepresentation or incorrect warranty.

ARTICLE 4

STATE OF TITLE OF PROPERTY

4.1 Permitted Encumbrances. Purchaser shall accept title to the Property subject to the following (the "Permitted Encumbrances"):

4.1.1 Any and all present and future zoning restrictions, regulations, requirements, laws, ordinances, resolutions and orders of any city, town or village in which the Property lies, and of all boards, bureaus, commissions, departments and bodies of any municipal, county, state or federal sovereign or other governmental authority now or hereafter having or acquiring jurisdiction of the Property or the use and improvement thereof (such authority is herein called a "Governmental Authority").

4.1.2 The state of facts shown on the survey described on Schedule "H" annexed hereto (the "Contract Survey") and any other state of facts shown on an accurate survey of the Property, or any part thereof, provided such other state of facts does not materially adversely affect Purchaser's ability to use the Building for its present uses.

4.1.3 The Space Leases listed on Schedule "B" annexed hereto, and any extensions, renewals or modifications thereof, or new Space Leases entered into in accordance with this Agreement. Nothing contained in this Agreement shall be deemed to prohibit Seller from terminating any tenancy by reason of default of a Tenant under its Space Lease, from bringing proceedings to dispossess any Tenant, or applying a Tenant's security deposit as allowed under its Space Lease.

4.1.4 The covenants, restrictions, easements, and agreements of record listed on Schedule "I" annexed hereto, and such other covenants, restrictions, easements and agreements of record, if any, affecting the Property, or any part thereof, provided such other covenants, restrictions, easements and agreements of record are not violated by existing structures, and do not materially adversely affect the present use of the Building.

4.1.5 Any state of facts a physical inspection of the Property would show.

4.1.6 The Service and Maintenance Agreements set forth on Schedule "E" annexed hereto, and any renewals thereof, or substitutions therefor, or additions thereto, provided such renewals, substitutions and additions are made in the ordinary course of Seller's business.

4.1.7 All violations and/or notes or notices of violations of law or municipal ordinances, orders, or requirements noted in or issued by any Governmental Authority having jurisdiction against or affecting the Property.

4.1.8 Any mechanic's lien or other lien which is the obligation of a Tenant under any Space Lease to bond or remove of record.

4.1.9 Real estate taxes, assessments, Business Improvement District charges and like charges for the fiscal year in which the Closing occurs and all fiscal years thereafter.

4.1.10 Any exception to coverage by the Title Company, provided that the Title Company insures same against collection out of or enforcement against the Property.

4.1.11 Any easement or right of use created in favor of any public utility company for electricity, steam, gas, telephone, water or other service, and the right to install, use, maintain, repair and replace wires, cables, terminal boxes, lines, service connections, poles, mains, facilities and the like, upon, under and across the Property.

4.1.12 The printed exceptions contained in the form of title insurance policy then issued by the Title Company which shall insure Purchaser's title.

4.1.13 Possible lack of right to maintain vaults, fences retaining walls, chutes, cornices and other installations encroaching beyond the property line and possible variance between the record description and the tax map.

4.1.14 The terms, covenants and conditions of the Operating Sublease and the Underlying Leases.

4.1.15 The Seller's interest to be transferred hereunder, i.e., the tenant's interest in the Operating Sublease derives from the fee interest in the Land by grant of term and leases from the following entities or their predecessor-in-interest:

Metro-North Commuter Railroad Company ("Metro-North")
to
Landgray Associates ("Landgray")
to
Metropolitan Life Insurance Company ("Metlife")
to
Graybar Building Associates ("Associates")
to
New York Graybar Lease, L.P. ("NY Graybar L.P.")
to
Graybar Building Company ("Seller")

and accordingly the Operating Sublease dated as of June 1, 1964 between Precision Dynamics Corporation, predecessor-in-interest to NY Graybar L.P., and Seller (the "Operating Sublease") is subject and subordinate to the following (collectively "Underlying Leases"):

Operating Lease dated December 30, 1957 between Mary F. Finnegan, predecessor-in-interest to Associates, and Rose Iacovone, predecessor-in-interest to NY Graybar L.P., as amended by Agreement dated as of June 1, 1964 among Metlife, Associates and Precision Dynamics Corporation (the "Operating Lease").

Sublease dated December 30, 1957 between Webb & Knapp, Inc. and Graysler Corporation, predecessor-in-interest to Metlife, and Mary F. Finnegan, predecessor-in-interest to Associates, as amended by Agreement dated as of June 1, 1964 among Metlife, Associates and Precision Dynamics Corporation (the "Mesne Lease").

Ground Lease dated December 30, 1957 between New York State Realty and Terminal Company, predecessor-in-interest to Landgray, and Webb & Knapp, Inc. and Graysler Corporation, predecessor-in-interest to Metlife, as amended by Lease Renewal Agreement made as of December 31, 1987 between Landgray and Metlife (the "Ground Lease").

Grant of Term made December 30, 1957 between The New York Central Railroad Company, predecessor-in-interest to Metro-North, and New York State Realty and Terminal Company, predecessor-in-interest to Landgray (the "Grant of Term").

A velobound copy of each of the Underlying Leases has been delivered by Seller to Purchaser simultaneously herewith (the "Underlying Leases Binder").

ARTICLE 5

TITLE INSURANCE AND ABILITY OF SELLER TO CONVEY

5.1 Title Insurance. Purchaser agrees to make, promptly after the signing hereof, application for a title insurance policy directly from Chicago Title Insurance Company or Ticor Title Guarantee Company or Ticor Title Insurance Company (the "Title Company"), and to purchase any fee title insurance policy obtained by Purchaser in connection with the acquisition of the Property directly from the Title Company, provided however, Purchaser may obtain a fee title policy conditioned upon coinsurance of one-third of the insured amount with Chicago Title Insurance Company, one-third with Ticor Title Insurance Company, and one-third with First American Title Insurance Company. Purchaser acknowledges receipt of a copy of the title report described in Schedule "J" annexed hereto (the "Contract Title Report"). Purchaser further acknowledges and agrees that Purchaser has no objection to the state of title set forth in the Contract Title Report except that, at or before the Closing, Seller shall cause the title exceptions listed on Schedule "K" annexed hereto to be omitted as exceptions to title by bonding, satisfaction, affirmative insurance against collection, or otherwise. The Permitted Encumbrances shall remain and Purchaser shall be obligated to accept title subject to same. With respect to any continuation of the Contract Title Report or an update to the Contract Survey, Purchaser shall deliver to Seller's attorneys, Bachner, Tally, Polevoy & Misher LLP, 380 Madison Avenue, New York, New York 10017, Attention: Martin D. Polevoy,

Esq., a copy of such continuation or updated survey together with a written statement by Purchaser of any objections to title which have appeared for the first time in such continuation or on a survey obtained by Purchaser (a "Subsequent Title Objection"), within ten (10) days of receipt of such continuation or updated survey, but in no event later than fifteen (15) days prior to the Closing Date, unless such change of circumstances occurred within such fifteen (15) day period. The failure by Purchaser to deliver any of the aforementioned documents to Seller's counsel within the time period specified in this Section 5.1 shall constitute a waiver by Purchaser of any and all objections that may arise with respect to matters contained in such documents. In the event Purchaser sends a written statement to Seller setting forth one or more Subsequent Title Objections which Seller is unable to remedy prior to the Closing Date, Purchaser hereby grants to Seller a reasonable adjournment of the Closing Date during which time Seller may attempt to remedy same for a period not to exceed ninety (90) days.

5.2 Title Objections. If there are any liens, charges, easements, agreements of record, encumbrances or other objections to title, other than the Permitted Encumbrances and Subsequent Title Objections (which Purchaser agrees to take title subject to) which are not waived in accordance with the provisions of Section 5.1 (collectively, "Title Objections"), which (i) were caused by, resulted from or arose out of a grant by Seller to any person or entity of a mortgage or other security interest affecting the Property, or the performance of work on behalf of Seller upon all or any portion of the Property, then Seller shall remove such Title Objections; or (ii) are not of the type described in clause (i) of this sentence, but are removable by the payment of an ascertainable sum not to exceed in the aggregate $250,000.00 (the "Maximum Amount"), then Seller shall cause such Title Objections to be removed. If Seller fails to remove any Title Objection(s) in accordance with the provisions of the immediately preceding sentence, or if there exist any Title Objection(s) which Seller is not obligated to remove pursuant to clause (ii) of the immediately preceding sentence because the payment of funds in excess of the Maximum Amount would be required to cure the same, Purchaser, nevertheless, may elect (at or prior to Closing) to consummate the transaction provided for herein subject to any such Title Objection(s) as may exist as of the Closing Date, with a credit allocated against the Cash Balance payable at the Closing equal to the sum necessary to remove such Title Objection(s), not to exceed the Maximum Amount (in the event of a Title Objection of the type described in clause (ii) of the immediately preceding sentence); provided, however, if Purchaser makes such election, Purchaser shall not be entitled to any other credit, nor shall Seller bear any further liability, with respect to any Title Objection(s) of the type described in clause (ii) of the immediately preceding sentence, but Seller shall remain fully liable for the cost of removing any Title Objection(s) of the type described in clause (i) of the immediately preceding sentence. If Purchaser shall not so elect, Purchaser may terminate this Agreement and Seller's sole liability thereafter shall be to cause the Deposit, together with any interest earned thereon while in escrow, to be refunded to Purchaser, and, upon the return of the Deposit and any such interest, this Agreement shall be terminated, and the parties hereto shall be relieved of all further obligations and liability under this Agreement, other than with respect to the provisions of this Agreement which expressly survive a termination of this Agreement.

5.3 No Further Action. Except as expressly set forth in Sections 5.1 and 5.2 hereof, nothing contained in this Agreement shall be deemed to require Seller to take or bring any action or proceeding or any other steps to remove any Title Objections, or to expend any moneys therefor, nor shall Purchaser have any right of action against Seller, at law or in equity, for Seller's inability to convey title in accordance with the terms of this Agreement.

ARTICLE 6

CLOSING COSTS

6.1. Purchaser's Obligations. Purchaser shall pay the costs of examination of title and any owner's policy of title insurance to be issued insuring Purchaser's title to the Property, as well as all other title charges, survey fees, and any and all other costs or expenses incident to the recordation of the Assignment of the Operating Sublease.

6.2. Seller's Obligations. Seller shall pay the following amounts payable in connection with the Assignment of the Operating Sublease:

(i) the amount imposed pursuant to Article 31 of the New York State Tax Law (the "Tax Law"); and

(ii) the amount due in connection with the Real Property Transfer Tax imposed by Title 11 of Chapter 21 of the Administrative Code of the City of New York.

6.3. Other Costs. All other closing costs shall be allocated to and paid by Seller and Purchaser in accordance with the manner in which such costs are customarily borne by such parties in sales of similar property in New York County, State of New York; provided, however, that each party shall bear its own attorneys' fees. Any dispute between Seller and Purchaser as to which party customarily bears any such closing cost (other than either party's own attorney's fees) may be submitted by either party for resolution

to the president of the Real Estate Board of New York, Inc., whose determination shall be binding upon the parties, provided, however, that in no event shall the Closing Date be adjourned by reason of the submission of any such dispute to the Real Estate Board of New York, Inc.

ARTICLE 7

ASSIGNMENT AND ASSUMPTION OF CONTRACTS AND SPACE LEASES

At the Closing, Seller shall assign to Purchaser and Purchaser hereby agrees to assume as of the Closing, all of the Space Leases, Brokerage Agreements, and Service and Maintenance Agreements, by execution of the respective assignments of the same as provided for in Article 14 hereof. This Article shall survive the Closing.

ARTICLE 8

REAL ESTATE TAX PROTESTS

All real estate assessment protests and proceedings affecting the Property for the tax year in which title closes and prior years, if any, will be prosecuted under Seller's direction and control. In the event of any reduction in the assessed valuation of the Property for any such fiscal year, the net amount of any tax savings, shall (a) with respect to fiscal years ending prior to the Closing, be payable to Seller; and (b) with respect to the fiscal year in which the Closing shall occur, after deduction of expenses and attorneys' fees, be adjusted between Seller and Purchaser as of the "Adjustment Date" (as defined in Section 13.1), in each instance net of sums due to Tenants, which sums shall be paid to each Tenant entitled to same. If a reduction in the assessed value of the Property is granted for a fiscal year in or prior to the year in which title closes, and such reduction is in the form of a credit for taxes payable at or after Closing, Seller shall be entitled to receive a sum equal to such credit when granted. Purchaser shall notify Seller of the fact that Purchaser has been granted a reduction in the real estate assessment for the Property with respect to the fiscal year in which the Closing occurs within ten (10) days after the occurrence of such event. This Section shall survive the Closing.

ARTICLE 9

ACKNOWLEDGMENTS OF PURCHASER; CONDITION OF PROPERTY

9.1 Analysis and Evaluation of the Property. Before entering into this Agreement, Purchaser acknowledges that it has made its own analysis and evaluation of the Property, the operation, the income potential, profits and expenses thereof, its condition and all other matters affecting or relating to the transaction underlying this Agreement as Purchaser deemed necessary, including, without limitation, the layout, Space Leases, square footage, rents, income, expenses and operation of the Property. Purchaser has made its own analysis and evaluation of the property bounds including the three dimensional grants and reservations as described in Schedule "A" annexed hereto. In entering into this Agreement, Purchaser has not been induced by and has not relied upon any representations, warranties, statements or covenants, express or implied, made by Seller or any agent, employee or other representative of Seller, which are not expressly set forth in this Agreement.

9.2 No Effect on Purchaser's Obligations. Purchaser further acknowledges that its covenants, agreements, and obligations under this Agreement shall not be excused or modified by: (i) the business or financial condition, or any bankruptcy or insolvency of any Tenant of the Property, (ii) the physical condition of the Building or personal property, or its fitness, merchantability or suitability for any use or purpose, (iii) the Space Leases, rents, income or expenses of the Property, (iv) the compliance or non-compliance with any laws, codes, ordinances, rules or regulations of any Governmental Authority and any violations thereof existing or subsequently imposed, (v) the environmental condition of the Property or the Property's compliance or non-compliance with any laws, codes, ordinances, rules or regulations of any Governmental Authority relating to the presence, use, storage, handling or removal of any hazardous substances, (vi) the current or future use of the Property, including, but not limited to, the Property's use for commercial, retail, industrial or other purposes, (vii) the current or future real estate tax liability, assessment or valuation of the Property, (viii) the availability or non-availability of any benefits conferred by Federal, state or municipal laws, whether for subsidiaries, special real estate tax treatment or other benefits of any kind, (ix) the availability or unavailability of any licenses, permits, approvals or certificates which may be required in connection with the operation of the Property, (x) the compliance or non-compliance of the Property, in its current zoning or a variance with respect to the Property's non-compliance, if any, with any zoning ordinances, except as herein specifically set forth, or (xi) the conformity of the use of the Property with any certificate of occupancy.

9.3 No Other Representations. Purchaser hereby expressly acknowledges that except as expressly provided herein, neither Seller nor anyone acting for or on behalf of Seller has made any representation, warranty, or promise to Purchaser concerning any of the foregoing, nor: (a) the physical aspect and condition of any portion of the Property; (b) the feasibility or

desirability of the purchase of the Property; (c) the market status, projected income from or development expenses for the Property; or (d) any other matter whatsoever with respect to the Property (except as contained herein), express or implied, including, by way of description, but not limitation, those of fitness for a particular purpose, tenantability, habitability and use; and that all matters concerning the Property have been independently verified by Purchaser. Purchaser acknowledges and agrees to take the Property "as is," in its currently existing physical condition and state of repair, subject to ordinary use, wear, tear and natural deterioration, and subject to casualty and condemnation as more particularly set forth in Article 11 hereof.

9.4 Outside Representations. Seller is not liable or bound in any manner by any verbal or written statements, representations, real estate "set-ups," offering memorandum or information pertaining to the Property or its physical condition, layout, Space Leases, footage, rents, income, expenses, operation or any other matter or thing furnished by any agent, employee, servant, or any other person, unless specifically set forth in this Agreement. Purchaser hereby waives, to the extent permitted by law, any and all implied warranties.

9.5 Environmental Investigation of the Property. Purchaser acknowledges that it has had an opportunity to conduct its own environmental investigation of the Property and the property adjacent to the Property. Purchaser is aware of the environmental conditions affecting or related to the Property and Purchaser agrees to take the Property subject to such conditions. Purchaser agrees to assume all environmental costs and liabilities arising out of or in any way connected to the Property. Purchaser hereby releases Seller from any obligation to pay any such costs and liabilities. Purchaser agrees to indemnify and hold harmless Seller from and against any such costs and liabilities.

9.6 Confidentiality. Purchaser acknowledges that all information regarding the Property furnished (or to be furnished) to Purchaser is and has been so furnished on the following conditions:

(i) Purchaser shall use the information solely for purposes of evaluating the Property and consummating the transaction contemplated in this Agreement; and

(ii) Purchaser shall, subject to the terms of Section 9.7, use its best efforts to maintain the confidentiality of such information.

9.7 Limited Disclosure. Purchaser shall, and shall cause its directors, officers and other personnel, and its agents, employees and representatives, to hold in strict confidence and not disclose to any other party without the prior written consent of Seller, any of the information regarding the Property delivered, provided or furnished to Purchaser or any of its agents, representatives or employees. Notwithstanding anything to the contrary hereinabove set forth, Purchaser may disclose such information only: (i) on a "need-to-know" basis to its employees, members or professional firms serving it in connection with this transaction, or to any potential lenders, but Purchaser shall require such parties to hold all such information in strict confidence, and not to disclose such information to any other party (without the prior written consent of Seller); (ii) to any other party, subject to Seller's consent, which consent shall not be unreasonably withheld or delayed; and (iii) to any governmental agency if such agency requires such disclosure in order for Purchaser to comply with applicable laws or regulations.

9.8 Return of Information. In the event the Closing does not occur for any reason and this Agreement is terminated, Purchaser shall promptly return to Seller all copies of all such information without retaining any copy thereof, except such as must be retained by any professionals to whom such information was disclosed in accordance with this Article 9 in order to comply with their professional obligations. Purchaser may also disclose the terms of this Agreement to any other party approved by Seller, as long as prior to such disclosure such party agrees to be bound by the provisions of this Article 9 by an instrument reasonably acceptable to Seller in form and content.

9.9 Survival. The provisions of this Article 9 shall terminate at the Closing provided, however, that if the Closing does not occur, the provisions of this Article 9 shall survive the termination of this Agreement.

ARTICLE 10

OPERATIONS PRIOR TO CLOSING

10.1 Continued Operations. Between the date of this Agreement and the Closing, Seller shall continue to operate the Property in its usual and customary manner. Notwithstanding the provisions of the immediately preceding sentence, Seller shall not be required to expend more than $250,000.00 during the term of this Agreement ("Seller's Article 10 Amount") on repairs and replacements to the Building (including, but not limited to, materials, labor, supervision and overhead). If the cost of such repairs and replacements exceeds Seller's Article 10 Amount, Purchaser shall, at Closing,

reimburse Seller for all sums actually expended by Seller in excess of Seller's Article 10 Amount. Any such amount payable to Seller shall be paid in the manner specified in Section 2.2.2 hereof. Without otherwise modifying or limiting in any respect the terms and provisions set forth in Article 3.1.4 of this Agreement, all Service and Maintenance Agreements shall be terminated by Seller, at Purchaser's request (such request to be given not less than five (5) business days prior to Closing), as early as is permissible under the applicable agreement and, if so requested by Purchaser, Seller shall execute, at no cost or expense to Seller, the appropriate notice(s) requesting such termination(s) (provided such applicable agreement is terminable). In no event shall Seller be required to terminate any Service and Maintenance Agreements which will or may impose or give rise to a claim, or additional penalty charge against Seller or will cause a termination of the obligation of the contractor to provide service or maintenance prior to the Closing, and Purchaser shall indemnify and hold harmless and defend Seller with respect to any claims, cost or expense arising out of such termination.

10.2 Access to the Property. Seller agrees to afford Purchaser
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reasonable access to the Property prior to the Closing, at reasonable times upon reasonable notice, provided that Purchaser shall not enter any portion of the Property unless accompanied by a representative of Seller. Purchaser specifically agrees that neither it, nor its employees or agents, will communicate directly with Seller's employees, Tenants or managing agent. Purchaser also agrees that Seller shall not be required to incur any cost or expense or commence any action to afford Purchaser such access.

10.3 Space Leases. Seller agrees that between the date hereof and the
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Closing, Seller shall:

10.3.1 Not, without Purchaser's prior written consent, which consent shall not be unreasonably withheld or delayed, terminate any Space Lease except by reason of a default by the Tenant thereunder.

10.3.2 Not permit occupancy of, or enter into any new Space Lease for, space in the Building which is vacant as of the date hereof, or which may hereafter become vacant, without first giving Purchaser written notice of the identity of the proposed tenant, together with a summary of the terms thereof in reasonable detail, and a statement of the amount of the brokerage commission, if any, payable in connection therewith and the terms of payment thereof. If Purchaser objects to such proposed Space Lease, Purchaser shall so notify Seller within two (2) Business Days after the giving of Seller's notice to Purchaser, in which case Seller shall not enter into the proposed Space Lease. Purchaser shall thereafter pay to Seller on the first day of each month between the date hereof and the Closing Date, by cashier's or bank check payable to the direct order of Seller, the rent and additional rent that would have been payable under the proposed Space Lease from the date on which the Tenant's obligation to pay rent would have commenced if Purchaser had not so objected until the Closing Date, less (i) the amount of the brokerage commission specified in Seller's notice, (ii) the cost of tenant improvement work required to be performed by the landlord under the terms of the proposed Space Lease to suit the premises to the tenant's occupancy, and (iii) the amount of cash work allowances required to be given by the landlord to the tenant under the terms of the proposed Space Lease (the "Reletting Expenses"), prorated in each case over the term of the proposed Space Lease and apportioned as of the Closing Date. If Purchaser does not so notify Seller of its objection, Seller shall have the right to enter into the proposed Space Lease with the tenant identified in Seller's notice and Purchaser shall pay to Seller, in the manner specified in Section 2.2.2 hereof, the Reletting Expenses, to the extent actually incurred by Seller, prorated in each case over the term of the Space Lease and apportioned as of the later of the Closing Date or the rent commencement date. Such payment shall be made by Purchaser to Seller at Closing and if Closing does not occur for any reason other than by reason of Seller's default, then the aggregate sum that would have been payable by Purchaser shall be payable at the last scheduled Closing Date.

10.4 Tenant Estoppel Certificates. (a) Reasonably promptly after the
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execution of this Agreement, Seller shall send a written request to each Tenant in accordance with its Space Lease to furnish a tenant estoppel statement substantially in the form such Tenant is obligated to furnish to the landlord under its Space Lease, or if no such form is contained or specified in a Tenant's Space Lease or if a Tenant's Space Lease provides that the Tenant shall make additional statements beyond those specifically provided for in the Space Lease ("Optional Statements"), then substantially in the form annexed hereto as Schedule "L-1" (a "Tenant Estoppel Statement"). Seller shall deliver to Purchaser a copy of each executed Tenant Estoppel Statement thereafter received from any Tenant reasonably promptly after Seller's receipt of same. In no event shall Purchaser have any right to terminate this Agreement, except as otherwise expressly provided in this Section 10.4, nor shall Purchaser be entitled to a reduction of the Purchase Price nor shall Purchaser's obligations under this Agreement be otherwise affected in any manner on account of any statement or information contained in any Tenant Estoppel Statement.

(b) Seller shall be obligated to furnish to Purchaser, as a condition of Purchaser's obligation to close hereunder that Purchaser shall receive, at or before Closing, with respect to each "Required Tenant" (as such term is hereinafter defined), either (x) a Tenant Estoppel Statement, in "Acceptable Form" (as such term is hereinafter defined), or (y) to the extent that a Tenant Estoppel Statement (whether or not in Acceptable Form) is not received from a Required Tenant (or is received but is incomplete), a

certificate in the form of Schedule "L-2" annexed hereto (a "Seller's Estoppel Statement") executed by Seller. A Tenant Estoppel Statement obtained by Seller from any Required Tenant shall be deemed to be in "Acceptable Form" if such Tenant Estoppel Statement is on the form required pursuant to this Section 10.4. Notwithstanding anything to the contrary contained herein, a Tenant Estoppel Statement shall not be required to contain any Optional Statements in order to be in "Acceptable Form."

(c) In the event that Seller is unable to fulfill the condition set forth in Section 10.4(b) hereof by delivery of Tenant Estoppel Statements and/or one or more Seller's Estoppel Statements, Seller shall have no liability to Purchaser on account thereof, and Purchaser's sole remedy shall be to terminate this Agreement and to receive a refund of the Deposit, together with any accrued interest thereon, and upon such termination of this Agreement neither party shall have any further obligation to the other party hereunder except for those provisions of this Agreement which expressly survive the termination of this Agreement.

(d) As used herein, the term "Required Tenants" shall mean:

(i) Metro-North Commuter Railroad under the Lease dated July 31, 1994 (as amended), and Dow Jones & Company under Lease dated August 1, 1991 (as amended);

(ii) At least sixty-five (65%) percent of the Tenants whose Leases cover, individually (or when combined with other Leases for any such Tenant who occupies space in the Building pursuant to multiple Leases), more than 25,000 rentable square feet in the Building exclusive of the Required Tenants set forth in clause (i) of this subsection 10.4(d); and

(iii) At least sixty-five (65%) percent of the Tenants whose Leases cover, individually (or when combined with other Leases for any such Tenant who occupies space in the Building pursuant to multiple Leases), more than 4,000 rentable square feet, exclusive of the Tenants set forth in clauses (i) and (ii) of this Subsection 10.4(d).

(e) The representations set forth in any Seller's Estoppel Statement delivered pursuant to this Section 10.4 shall survive the Closing for a period of ninety (90) days, or until such earlier date that the Required Tenant delivers to Purchaser a Tenant Estoppel Statement in Acceptable Form.

10.5 Request for Lessor Consent and Estoppel. From the date of this Agreement to the Closing Date, Seller shall:

(a) Use its reasonable efforts to obtain a written consent from NY Graybar L.P., the lessor of the Operating Sublease to the assignment of the Operating Sublease to Purchaser (the "NY Graybar L.P. Consent"). Upon receipt of such consent, Seller shall deliver an original thereof to Purchaser. However, if Seller has not received the NY Graybar L.P. Consent within seven (7) days prior to the Closing Date, Seller may adjourn the Closing for up to thirty (30) days for the purpose of procuring the NY Graybar L.P. Consent, and in the event Seller fails to deliver the NY Graybar L.P. Consent to Purchaser by a date not less than seven (7) days prior to the Closing Date, as adjourned, either party may elect to terminate this Agreement. If either party does so elect, Seller's sole liability thereafter shall be to refund to Purchaser its Deposit, together with any interest accrued thereon, and upon such termination of this Agreement neither party shall have any further obligation to the other party hereunder except for those provisions of this Agreement which expressly survive the termination of this Agreement.

(b) Use its reasonable efforts to obtain an estoppel statement from NY Graybar L.P., in the form annexed hereto as Schedule L-3 (the "Lessor's Estoppel Statement").

(c) Provide Purchaser with a copy of any notice received under the Operating Sublease, including without limitation, a notice of default.

(d) Maintain the Operating Sublease in full force and effect, make all payments in a timely manner, and observe and perform all covenants and obligations of lessee thereunder.

(e) Not, without the prior written consent of Purchaser, which consent shall not be unreasonably withheld or delayed, modify, amend, extend, terminate, or otherwise alter the Operating Sublease, or any documents or agreements relating thereto.

10.6 Consent under Underlying Leases.

(a) From the date of this Agreement to the Closing Date, Seller shall use reasonable efforts to obtain a written consent to the assignment of the Operating Sublease from:

(i) Associates under the Operating Lease (the "Associates Consent");

(ii) Metlife under the Mesne Lease (the "Metlife Consent");

(b) Seller shall be obligated to furnish to Purchaser, as a

condition of Purchaser's obligation to close hereunder that Purchaser shall receive, at or before Closing, the NY Graybar L.P. Consent, Associates Consent and Metlife Consent, and either (x) a Lessor Estoppel Statement, in "Acceptable Form" (as such term is hereinafter defined), or (y) to the extent that a Lessor Estoppel Statement (whether or not in Acceptable Form) is not received from NY Graybar L.P. (or is received but is incomplete), a certificate in the form of Schedule "L-4" annexed hereto (a "Seller's Operating Sublease Estoppel Statement") executed by Seller. A Lessor Estoppel Statement obtained by Seller from NY Graybar L.P. shall be deemed to be in "Acceptable Form" if such Lessor's Estoppel Statement is the form of Schedule "L-3."

(c) In the event Seller is unable to fulfill the conditions set forth in Section 10.5 and Section 10.6 by delivery of: (i) a NY Graybar L.P. Consent, (ii) Associates Consent, (iii) Metlife Consent and (iv) either a Lessor's Estoppel Statement or Seller's Operating Sublease Estoppel Statement, Seller shall have no liability to Purchaser on account thereof, and Purchaser's sole remedy shall be to terminate this Agreement and to receive a refund of the Deposit, together with any accrued interest thereon, and upon such termination of this Agreement neither party shall have any further obligation to the other party hereunder except for those provisions of this Agreement which expressly survive the termination of this Agreement.

10.7 Purchaser's Consent Obligations. With respect to the obtaining of the NY Graybar L.P. Consent, Associates Consent and Metlife Consent, Purchaser shall: (i) cooperate in submitting information, reference material, financial and other data required under any applicable lease or reasonably requested by a party to whom a request for consent was made, and (ii) execute and deliver such instruments and assumptions required under any applicable lease or reasonably requested by a party to whom a request for consent was made.

ARTICLE 11

CASUALTY AND EMINENT DOMAIN

11.1 Casualty and Risk of Loss. Between the date of this Agreement until the time of the delivery of the Deed as provided by Section 18.1.2 herein, the risk of loss or damage to the Property by fire or other casualty, is borne and assumed by Seller. Seller's assumption of the risk of loss is without any obligation or liability by Seller to repair the same, except Seller, at Seller's sole option, shall have the right to repair or replace such loss or damage to the Property. In the event any loss or damage to the Property occurs, and Seller elects to make such repair or replacement, this Agreement shall continue in full force and effect, and Seller shall be entitled to a reasonable adjournment of the Closing Date, not to exceed one hundred eighty (180) days. If Seller does not however elect to repair or replace any such loss or damage, Purchaser shall have the following options (provided, however, that if in Seller's reasonable judgment the cost of repairing any such loss or damage to the Property will not exceed $6,000,000.00. Purchaser will be deemed to have made the election set forth in Section 11.1.2 hereof):

11.1.1 Declaring this Agreement terminated, in which event the Deposit, together with any interest accrued thereon, shall be returned to Purchaser, and upon such payment, this Agreement shall be null and void and the parties hereto shall be relieved and released of and from any further liability with respect to each other, except with respect to the provisions of this Agreement which expressly survive the termination of this Agreement; or

11.1.2 Accepting (i) the Assignment of the Operating Sublease upon payment in full of the Purchase Price and without any abatement of the Purchase Price by reason of such loss or damage, (ii) payment of the amount of any insurance proceeds to the extent actually collected by Seller in connection with such fire or other casualty, less the amount of the actual expenses incurred by Seller in collecting such proceeds and in making repairs to the Property occasioned by such fire or other casualty, and (iii) an assignment (without warranty or recourse to Seller) of Seller's rights to any payments to be made subsequent to the Closing Date under any hazard insurance policy or policies in effect with respect to the Property. Purchaser shall not be entitled to the payment of insurance proceeds or an assignment of Seller's right to insurance proceeds if such proceeds are in excess of the cost of repairing any loss or damage to the Property; Seller shall be entitled to the excess proceeds, if any.

If Purchaser fails to exercise its option as set forth in Section 11.1.1 within ten (10) days after notice to Purchaser of any loss or damage to the Property, Purchaser shall be deemed to have exercised the option set forth in Section 11.1.2.

11.2 Eminent Domain. If prior to the Closing all or any part of the Property is taken by condemnation or a taking in lieu thereof, the following shall apply:

11.2.1 In the event a material part of the Property is taken, Purchaser, by written notice to Seller (effective only if delivered within fifteen (15) days after Purchaser receives notice of such taking), may elect to cancel this Agreement prior to the Closing Date. In the event that Purchaser shall so elect, the Deposit, together with any interest accrued thereon, shall be returned to Purchaser, and upon such payment, this

Agreement shall be null and void and the parties hereto shall be relieved and released of and from any further liability hereunder and with respect to each other, except with respect to the provisions of this Agreement which expressly survive the termination of this Agreement.

11.2.2 In the event a minor or immaterial part of the Property is taken, or in the event of a change of legal grade, neither party shall have any right to cancel this Agreement, and title shall nonetheless close in accordance with this Agreement without any abatement of the Purchase Price or any liability or obligation on the part of Seller by reason of such taking; provided, however, that Seller shall, at Closing, (i) turn over and deliver to Purchaser the amount of any award or other proceeds of such taking to the extent actually collected by Seller as a result of such taking, less the amount of the actual expenses incurred by Seller in collecting such award or other proceeds and in making repairs to the Property occasioned by such taking, and (ii) deliver to Purchaser an assignment (without warranty or recourse to Seller) of Seller's right to any such award or other proceeds which may be payable subsequent to the Closing Date as a result of such taking.

11.2.3 The term "material part," as distinguished from a "minor or immaterial part," as used herein shall mean a portion of the Property having a value (based upon an appraisal by an appraiser acceptable to Seller, subject to Purchaser's approval, which shall not be unreasonably withheld or delayed) in excess of $6,000,000.00.

11.3 Survival. This Article 11 shall survive the Closing and is intended to be an express provision to the contrary within the meaning of Section 5-1311 of the General Obligations Law.

ARTICLE 12

ASSESSMENTS

If on or after the date of this Agreement, the Property or any part thereof shall be or shall have been affected by any real estate tax assessment or assessments which are or may become payable in one or more installments, Purchaser agrees to take title to the Property (without reduction in or adjustment of the Purchase Price) subject to all unpaid installments becoming due and payable after the date hereof.

ARTICLE 13

CLOSING ADJUSTMENTS

13.1 Adjustments and Prorations. The following matters and items shall be apportioned or adjusted between the parties hereto at the closing of title to the Property pursuant to this Agreement (the "Closing"), as of 12:01 A.M. of the day of the Closing (the "Adjustment Date"). The foregoing is based upon the Seller having use of the funds constituting the cash portion of the Purchase Price on the Closing Date, and thus the income and expense for the Closing Date are for Purchaser's account. If the funds are not transferred to be available to Seller on the Closing Date, then the Adjustment Date shall be unchanged and Seller shall be entitled to a per diem addition of Twelve Thousand Dollars ($12,000).

13.1.1 Fixed Rents.

(a) Fixed rents ("Fixed Rents") paid or payable by Tenants under the Space Leases in connection with their occupancy shall be adjusted and prorated on an if, as and when collected basis. Any Fixed Rents collected by Purchaser or Seller after the Closing from any Tenant who owes Fixed Rents for periods prior to the Closing, shall be applied: (i) first, in payment of Fixed Rents owed by such Tenant for the calendar month in which the Closing Date occurs; (ii) second, in payment of Fixed Rents owed by such Tenant for the calendar month prior to the calendar month in which the Closing Date occurs; (iii) third, in payment of Fixed Rents owed by such Tenant for the period (if any) after the calendar month in which the Closing Date occurs through the end of the calendar month in which such amount is collected; and (iv) fourth, after Fixed Rents for all current periods have been paid in full, in payment of Fixed Rents owed by such Tenant for the period prior to the calendar month preceding the calendar month in which the Closing Date occurs. Each such amount, less any costs of collection (including reasonable attorneys' fees) reasonably allocable thereto, shall be adjusted and prorated as provided above, and the party who receives such amount shall promptly pay over to the other party the portion thereof to which it is so entitled. In furtherance and not in limitation of the preceding sentence, with respect to any Tenant which has paid all Fixed Rents for periods through the Closing, if, prior to the Closing, Seller shall receive any prepaid Fixed Rents from a Tenant attributable to a period following the Closing, at the Closing, Seller shall pay over to Purchaser the amount of such prepaid Fixed Rents.

(b) Purchaser shall bill Tenants who owe Fixed Rents for periods prior to the Closing on a monthly basis for a period of six (6) consecutive months following the Closing Date and shall use commercially reasonable efforts to collect such past due Fixed Rents; provided, however, that Puractions or proceedings to collect any such past due Fixed Rents. Notwithstanding the foregoing, if Purchaser is unable to collect such past due Fixed Rents, Seller shall have the right, upon prior written notice to

Purchaser, to pursue such Tenants to collect Fixed Rent delinquencies (including, without limitation, the prosecution of one or more lawsuits), but Seller shall not be entitled to evict (by summary proceedings or otherwise) any such Tenants. Any payment by a Tenant in an amount less than the full amount of Fixed Rents and "Overage Rent" (as such term is defined in Section 13.1.2(a)) then due and owing by such Tenant, shall be applied first to Fixed Rents (in the order of priority as to time periods as is set forth in Section 13.1.1(a) above) to the extent of all such Fixed Rents then due and owing by such Tenant, and thereafter to Overage Rent (in the order of priority as to time periods as is set forth in Section 13.1.2).

13.1.2 Overage Rent.

(a) Any of the following charges and/or rents provided for by any Space Lease: (i) the payment of additional rent based upon a percentage of the Tenant's business during a specified annual or other period (sometimes referred to as "percentage rent"), (ii) common area maintenance or "CAM" charges, (iii) "escalation rent" or additional rent based upon increases in real estate taxes, operating expenses, labor costs, cost of living, porter's wages, or other index including the consumer price index or otherwise, or (iv) any other items of additional rent, e.g., charges for electricity, water, cleaning, overtime services, sundries and/or miscellaneous charges, shall be adjusted and prorated on an if, as and when collected basis (such percentage rent, CAM charges, escalation rent and other additional rent being collectively called "Overage Rent").

(b) (i) Purchaser agrees that as to any Overage Rent for accounting periods prior to the Closing that are to be paid after the Closing, to pay the entire amount over to Seller upon receipt thereof, less any costs of collection (including reasonable attorneys' fees) reasonably allocable thereto. Purchaser agrees that it will (i) promptly render bills for any such Overage Rent, (ii) bill Tenants such Overage Rent on a monthly basis for a period of six (6) consecutive months thereafter, and (iii) use commercially reasonable efforts to collect such Overage Rent; provided, however, that Purchaser shall have no obligation to commence any actions or proceedings to collect any such Overage Rent.

(ii) Notwithstanding the foregoing, if Purchaser is unable to collect such Overage Rent, Seller shall have the right, upon prior written notice to Purchaser, to pursue Tenants to collect such delinquencies (including, without limitation, the prosecution of one or more lawsuits), but Seller shall not be entitled to evict (by summary proceedings or otherwise) any such Tenants. Seller shall furnish to Purchaser all information relating to the period prior to the Closing that is reasonably necessary for the billing of such Overage Rent, and Purchaser will deliver to Seller, concurrently with the delivery to Tenants, copies of all statements relating to Overage Rent for a period prior to the Closing. Purchaser shall bill Tenants for Overage Rent for accounting periods prior to the Closing in accordance with and on the basis of such information furnished by Seller.

(c) Overage Rent for an accounting period in which the Closing Date occurs shall be apportioned between Seller and Purchaser as of the Adjustment Date, with Seller receiving the proportion of such Overage Rent less a like portion of any costs and expenses (including reasonable attorneys' fees) incurred in the collection of such Overage Rent that the portion of such accounting period prior to the Closing Date bears to such entire accounting period, and Purchaser receiving the proportion of such Overage Rent less a like portion of any costs and expenses (including reasonable attorneys' fees) incurred in the collection of such Overage Rent that the portion of such accounting period from and after the Closing Date bears to such entire accounting period. If, prior to the Closing, Seller shall receive any installments of Overage Rent attributable to Overage Rent for periods from and after the Closing Date, such sum shall be apportioned at the Closing. If, after the Closing, Purchaser shall receive any installments of Overage Rent attributable to Overage Rent for periods prior to the Closing, seys' fees) incurred by Purchaser in the collection of such Overage Rent shall be paid by Purchaser to Seller promptly after Purchaser receives payment thereof.

(d) Any payment by a Tenant on account of Overage Rent (to the extent not applied against Fixed Rents due and owing by such Tenant in accordance with Section 13.1.1 (b) hereof) shall be applied to Overage Rent then due in the following order of priority: (i) first, in payment of Overage Rent for the accounting period in which the Closing Date occurs; (ii) second, in payment of Overage Rent for the accounting period immediately preceding the accounting period in which the Closing Date occurs; and (iii) third, in payment of Overage Rent for the accounting period immediately succeeding the accounting period in which the Closing Date occurs, and (iv) thereafter in the chronological order in which such payments are due for each such accounting period pursuant to the applicable Space Lease.

(e) To the extent that any portion of Overage Rent is required to be paid monthly by Tenants, on account of estimated amounts for any calendar year (or, if applicable, any Space Lease year or any other applicable accounting period), and at the end of such calendar year (or Space Lease year or other applicable accounting period, as the case may be), such estimated amounts are to be recalculated based upon the actual expenses, taxes and other relevant factors for that calendar year, Space Lease year or other applicable accounting period, with the appropriate adjustments being made with such Tenants, then such portion of the Overage Rent shall be prorated between Seller and Purchaser at the Closing based on such estimated payments

(i.e., with Seller entitled to retain all monthly or other periodic installments of such amounts paid with respect to periods prior to the calendar month or other applicable installment period in which the Closing occurs; Seller to pay to Purchaser at the Closing all monthly oy Seller with respect to periods following the calendar month or other applicable installment period in which the Closing occurs, and Seller and Purchaser to apportion as of the Closing Date all monthly or other periodic installments of such amounts with respect to the calendar month or other applicable installment period in which the Closing occurs).

At the time(s) of final calculation and collection from (or refund to) each Tenant of the amounts in reconciliation of actual Overage Rent for a period for which estimated amounts paid by such Tenant have been prorated, there shall be a re-proration between Seller and Purchaser. If, with respect to any Tenant, the recalculated Overage Rent exceeds the estimated amount paid by such Tenant, (i) the entire excess shall be paid by Purchaser to Seller, if the accounting period for which such recalculation was made expired prior to the Closing, and (ii) such excess shall be apportioned between Seller and Purchaser as of the Closing Date (on the basis described in the first sentence of Section 13.1.2(c) hereof), if the Closing occurred during the accounting period for which such recalculation was made, with Purchaser paying to Seller the portion of such excess which Seller is so entitled to receive. If, with respect to any Tenant, the recalculated Overage Rent is less than the estimated amount paid by such Tenant, (1) the entire shortfall shall be paid by Seller to Purchaser (or, at Seller's option, directly to the Tenant in question), if the accounting period for which such recalculation was made expired prior to the Closing, and (2) such shortfall shall be apportioned between Seller and Purchaser as of the Closing Date (on the basis described in the first sentence of Section 13.1.2(c) hereof), if the Closing occurred during the accounting period for which such recalculation was made, with Seller paying to Purchaser (or, at Seller's option, directly to the Tenant in question) the portion of such shortfall so allocable to Seller.

(f) Until such time as all amounts required to be paid to Seller by Purchaser pursuant to Section 13.1.1 and this Section 13.1.2 are paid in full, but in no event for a period longer than twelve (12) months following the Closing, Purchaser shall furnish to Seller, not less frequently than monthly, a reasonably detailed accounting of such amounts owed by Purchaser; which accounting shall be delivered to Seller on or prior to the fifteenth day following the last day of each calendar month from and after the calendar month in which the Closing occurs. Subsequent to the Closing, Seller shalrior written notice to Purchaser, to review Purchaser's rental records with respect to the Property during ordinary business hours on Business Days, to ascertain the accuracy of such accountings.

13.1.3 Taxes and Assessments. Real estate taxes, assessments, Business Improvement District charges and like charges, ad valorem taxes and personal property taxes, if any, on the basis of the fiscal year for which assessed. If the Closing shall occur before the tax rate or assessment is fixed, the apportionment of such real estate taxes and personal property taxes, if any, shall be upon the basis of the tax rate for the immediately preceding year applied to the latest assessed valuation; however, adjustment will be made upon the actual tax amount, when determined. Any discount received for early payment shall be for the benefit of Seller, and any interest or penalty assessed for late payment shall be borne by Seller. Real estate taxes shall be treated on an annualized basis even if tax payments made in installments are not equal for each installment period. Thus, for example, if the installment for the first half of a fiscal year is paid and is higher than the second half installment, the proration will be based on payment of fifty percent (50%) of the aggregate taxes for such fiscal year.

13.1.4 Deposits. Tax and utility company deposits, or deposits with any supplier of goods, if any, shall be paid by Purchaser to Seller (or, at Seller's option, Seller shall obtain refunds of the deposits directly from the taxing authority or utility company, as the case may be).

13.1.5 Water and Sewer Charges. Water charges and sewer rents on the basis of the fiscal year, but if there are water meters on the Property, Seller, to the extent obtainable, shall supply to Purchaser a water meter reading current through the Adjustment Date, or if not feasible to so read, to a date not more than thirty (30) days prior to the Adjustment Date, and the unfixed meter charges based thereon for the intervening period shall be apportioned on the basis of such last meter reading. Upon the taking of a subsequent actual water meter reading, such apportionment shall be readjusted and Seller or Purchaser, as the case may be, will promptly deliver to the other the amount determined to be due upon such readjustment. If Seller is unable to furnish such prior meter reading, any reading subsequent to the Closing will be apportioned on a per diem basis from the date of such reading immediately prior thereto, and Seller shall pay the proportionate charges due up to the date of Closing. Unpaid water meter bills, frontage, sewer charges and assessments which are the obligations of Tenants in accordance with the terms of their respective Space Leases shall not be adjusted, nor shall the same be deemed an objection to title, and Purchaser will take title subject thereto.

13.1.6 License Fees. Amounts paid or payable with respect to assignable licenses and permits, if any, affecting the Property.

13.1.7 Service and Maintenance Charges. Amounts paid or payable

with respect to the Service and Maintenance Agreements.

13.1.8 Vault Fees. Proration of vault charges or vault taxes shall be based upon the last bill received, or title company report, prorated at the last known rate to the Adjustment Date. No proration shall be made if such vault charge is the obligation of a Tenant in possession.

13.1.9 Utilities. Utility charges, including, but not limited to, electricity, gas, steam, telephone and other utilities (other than such charges which are the obligation of Tenants under their respective Space Leases), all prorated based upon the most current bill unless actual readings are obtained as of the Adjustment Date, in which case such actual readings shall govern, and each party shall pay the amount billed to it, respectively.

13.1.10 Inventory. The value of Building inventory and supplies (e.g., soap, cleaning powder, light bulbs, etc.) in unopened containers, if any, in accordance with an inventory prepared by Seller, shall be credited to Seller. Such value amount shall be determined based upon the cost thereof, to the extent practical.

13.1.11 Tenant Security Deposits. (a) Security deposits of Tenants (other than those which are marketable securities, letters of credit, or other non-cash items) shall be transferred, at Seller's option, either (i) by direct assignment of the bank accounts in which deposited, or (ii) by Seller retaining all rights in the bank accounts and crediting to Purchaser the amount of the security deposits to be delivered pursuant to this Agreement. In either event, there shall be maintained or credited to Seller all interest earned or accrued to the Adjustment Date, less such portion of the interest to which the respective Tenant would be entitled pursuant to its Space Lease or by law. No allocation shall be made of security deposits properly applied prior to the Adjustment Date, and Seller may retain such amounts. Security deposits applied after the Adjustment Date shall be applied in the order of priority set forth in paragraph (a) of Section 13.1.1 hereof. Security deposits held in the form of marketable securities shall be assigned and delivered to Purchaser at Closing, with any interest thereon through the Adjustment Date credited to Seller, less such portion to which the Tenant would be entitled. Security deposits held in the form of letters of credit shall be assigned and delivered to Purchaser at Closing; provided, however, that if the consent or authorization of the issuer of any such letter of credit is required, the failure to obtain such consent shall not constitute grounds for Purchaser or Seller to adjourn the Closing, but Seller shall cooperate with Purchaser in obtaining such consent subsequent to the Closing.

(b) If any Tenant who owes past due rent as of the Closing Date is evicted from the Building and its Space Lease is terminated, then promptly after such eviction and termination, such Tenant's security deposit shall be applied in the following order of priority: (i) first to the reimbursement of Purchaser's reasonable costs and expenses in obtaining such eviction and termination; (ii) then in the order of priority set forth in Section 13.1.1 hereof.

(c) At Closing Purchaser shall indemnify and hold Seller free and harmless from and against any claim made with respect to an assigned security deposit, or a security deposit as to which Purchaser has received a credit, and Purchaser shall give such notice to each Tenant with respect to a security deposit as will eliminate or reduce Seller's responsibility.

13.1.12 Fuel. Proration shall be made of fuel on the Property on the Adjustment Date, based upon a reading made by Seller's supplier as close as obtainable to the Adjustment Date (reasonably adjusted to the quantity present on the Adjustment Date). The value thereof shall be calculated at Seller's last cost (including sales tax). If the heating, ventilation or air conditioning for the Property is provided by a measurable product (e.g. steam or gas) the adjustment will be based on meter readings prorated, if necessary, to the Adjustment Date.

13.1.13 Employee Compensation. Proration shall be made of all wages of employees engaged at the Property, together with vacation pay, social security taxes, workers' compensation, pension and other fringe benefits. Fringe benefit years shall be based upon union contract rights, if feasible, and otherwise determined as a fair allocation in Seller's judgment. Seller shall not be charged with termination pay arising by reason of Purchaser's termination of any employees, or failure to hire any employees at or subsequent to the Closing, and Purchaser shall be fully liable for any such termination pay. If employees engaged at the Building are in the employ of an agent, then such adjustment or proration shall be made as appropriate with the agent to reach the same economic result as if in the direct employ of Seller. Compliance with the WARN act shall be Purchaser's responsibility.

13.1.14 Tenant Improvement Work at Landlord's Cost. With respect to tenant improvement work performed or to be performed to leased space to be paid at the landlord's cost pursuant to any Space Lease, (i) Purchaser shall receive a credit against the Cash Balance at Closing for the cost of the performance of any tenant improvement work required to be performed pursuant to Space Leases executed (or renewal, extension or additional space rights or

options exercised) prior to December 1, 1997 (the "Space Leasing Cutoff Date"), and (ii) Purchaser shall be obligated to pay, as and when due, for the cost of the performance of any tenant improvement work required to be performed pursuant to Space Leases entered into (or renewal, extension or additional space rights or options exercised) on or after the Space Leasing Cutoff Date, and the Cash Balance shall be increased by any sums expended by Seller prior to closing for obligations referred to in this clause (ii).

13.1.15 Costs of Work to be Paid or Reimbursed to Tenants. With respect to the cost of work performed or to be performed at the Property attributable to leased space to be either paid or reimbursed to Tenants by the landlord pursuant to any Space Lease, (i) Purchaser shall receive a credit against the Cash Balance at Closing to the extent such payment or reimbursement is required pursuant to a Space Lease executed (or renewal, extension or additional space rights or options exercised) prior to the Space Leasing Cutoff Date, and (ii) Purchaser shall be obligated to pay or reimburse any such Tenant, as and when due, to the extent such payment or reimbursement is required pursuant to a Space Lease entered into (or renewal, extension or additional space rights or options exercised) on or after the Space Leasing Cutoff Date, and the Cash Balance shall be increased by any sum expended by Seller prior to Closing for obligations referred to in this clause (ii).

13.1.16 Leasing Commissions. Brokerage and leasing commissions incurred in connection with the leasing of space at the Property shall be prorated so that such commissions owed with respect to Space Leases executed prior to the Space Leasing Cutoff Date shall be paid by Seller, and on or after the Space Leasing Cutoff Date shall be paid, as and when due, by Purchaser. No adjustment shall be made with respect to leasing or brokerage commissions payable on or after the Closing Date as a consequence of an event occurring after the Closing. Thus, proration of leasing commissions shall be made if the leasing to which the leasing commission is attributable was made prior to the Space Leasing Cutoff Date borne by Seller and if after the Space Leasing Cutoff Date borne by Purchaser. If as of the Closing the leasing commission is an obligation of Seller if an event occurs, (e.g. renewal, expansion, etc.) and thereafter the event does occur then the leasing commission if earned is to be borne by Purchaser and Purchaser shall indemnify and hold Seller free and harmless from and against any liability for leasing brokerage payable by Purchaser.

13.1.17 Insurance Premiums. No existing insurance policy shall be assigned to Purchaser, and no adjustment of any insurance premiums shall be made.

13.1.18 Operating Sublease Rent.

(a) Fixed or base rent under the Operating Sublease including any portion thereof denominated or characterized as ground rent shall be adjusted and prorated on a cash basis.

(b) Additional rent items other than Overage Rent payable pursuant to the Operating Sublease (herein called the "Operating Sublease Overage Rent" to distinguish such obligation from Space Tenants' obligations for Overage Rent) shall likewise be adjusted and prorated on a cash basis but with respect to additional rent not payable or retained by the lessor under the Operating Sublease adjustments and prorations shall be made without duplication.

(c) Operating Sublease Overage Rent is payable annually on a calendar year basis. Purchaser shall pay the entire Operating Sublease Overage Rent for the calendar year 1998 in accordance with the Operating Sublease, but shall be entitled to a credit from Seller for the amount of Operating Sublease Overage Rent allocable to the portion of 1998 ending on the Adjustment Date, net of any credit against such Operating Sublease Overage Rent to which Seller would be entitled under the Operating Sublease for "excess cash payments" allocable to the portion of 1998 ending on the Adjustment Date. Not less than ten (10) days prior to Closing, accountants or other representatives for each of Seller and Purchaser shall agree upon a projected Operating Sublease Overage Rent allocable to the portion of the calendar year 1998 occurring prior to the Closing Date ("Seller's Period"). For the purpose of determining the projected Operating Sublease Overage Rent for Seller's Period, the net income as determined by the terms and conditions of the Operating Sublease shall be calculated for Seller's Period and compared to the minimum net income for 1998 (i) prorated for Seller's Period, and (ii) further adjusted to the extent permitted by the Operating Sublease by deferrals, cash payments, deductions allocable to depreciation, amortization of capital improvements and alterations for subtenants. If such calculations result in an excess of Operating Sublease Overage Rent currently payable for Seller's Period Seller's Period then, Purchaser shall receive a credit at Closing equal to such excess amount. The credit referred to in the preceding sentence shall be reduced by the amount of any estimated payments on account of Operating Sublease Overage Rent made by Seller for the calendar year 1998. If the excess cash payments for Seller's Period exceed the Operating Sublease Overage Rent for Seller's Period, then Seller shall receive a credit at Closing equal to such excess amount. The calculation of Operating Sublease Overage Rent adjustment shall be recalculated at the request of either party not less than sixty (60) nor more than one hundred twenty (120) days after the end of the calendar year in which the Closing Date occurs, and both Seller and Purchaser shall make appropriate operating records available. In the event of a failure to agree on an adjustment amount at the projection prior to Closing or at the post calendar year recalculation, either party may cause a determination, having the force of an

arbitration by selection of a single arbitrator made jointly by Seller and Purchaser upon ten (10) days notice given to a party and initiated by either party with a proposed arbitrator. If within such ten (10) day period, the parties do not agree upon a single arbitrator then either party may initiate the then appropriate procedure before the American Arbitration Association for Commercial Arbitration in the Borough of Manhattan, City and State of New York. A determination by an arbitrator thus selected shall be final and binding on the parties. The cost of such arbitration shall be borne equally by Seller and Purchaser.

It is hereby agreed that no adjustments shall be included as part of the Operating Sublease Overage Rent adjustment, with respect to either: (i) "Unamortized Sums," or (ii) "Excess Cash Repayments," except to the extent otherwise expressly provided above as to the adjustments for Seller's Period (as each quoted term is herein defined). Unamortized Sums shall mean the unamortized portion of amounts deductible in calculating Operating Sublease Overage Rent attributable to expenditures made prior to January 1, 1998. Excess Cash Repayments shall mean amounts which the sublessee is obligated to pay for any portion of the term of the Operating Sublease occurring after January 1, 1998 pursuant to Section 2.02(5) of the Operating Lease, as a result of a reduction in Operating Sublease Overage Rent received by Seller for any period prior to the Adjustment Date pursuant to Section 2.05(5) of the Operating Lease.

Seller waives any right or claim it may have with respect to the Unamortized Sums and agrees that the benefit thereof post closing shall inure to Purchaser in determinations of Operating Lease Overage Rent.

Purchaser waives any right or claim it may have with respect to the Excess Cash Repayments and agrees to assume such obligation in determinations of Operating Sublease Overage Rent for 1998 and all future calendar years.

Each party agrees that the benefits and burdens of the understanding expressed in the preceding two sentences are part of the consideration for this Agreement.

13.1.19 Other Adjustments. (a) Rents due pursuant to Section 10.3.2 hereof.

(b) Reletting Expenses pursuant to Section 10.3.2 hereof.

13.1.20 Survival. The provisions of this Section 13.1 shall survive the Closing.

13.2 Determination of Closing Adjustments. The parties hereto agree to make a good faith effort to determine the adjustments and prorations to be made at Closing, pursuant to this Article, at least three (3) Business Days prior to the Closing Date.

13.3 Net Apportionments and Adjustments.

13.3.1 Due Seller. In the event the net apportionments and adjustments as provided in Section 13.1 result in a payment due Seller, then such payment shall be made at Closing in the manner set forth in Section 2.2.2. In the event that despite Purchaser's good faith efforts, the parties hereto are unable to determine the amount of the adjustments to be paid to Seller at Closing, if any, on or before the date which is three (3) Business Days prior to the Closing Date, such amount may be paid by Purchaser to Seller at the Closing by cashier's or bank check, or by a certified check of Purchaser drawn upon a bank which is a member of The New York Clearing House Association (or any successor organization thereto), made payable to Seller's direct order.

13.3.2 Due Purchaser. In the event the net apportionments and adjustments as provided in Section 13.1 result in a payment due Purchaser, then such payment shall be made at Closing by way of a credit against the Cash Balance.

13.4 Other. Except as otherwise provided in this Agreement, the customs regarding title closings, as recommended by The Real Estate Board of New York, Inc., shall apply to all apportionments.

ARTICLE 14

CLOSING DOCUMENTS; OBLIGATIONS OF PURCHASER AND SELLER AT CLOSING

14.1 Seller's Obligations at Closing. On the Closing Date, Seller shall deliver or cause to be delivered to Purchaser the following:

14.1.1 An Assignment of the Operating Sublease containing the covenant required by Section 13 of the Lien Law in proper form for recording (the "Assignment"), in the form annexed hereto as Exhibit 1.

14.1.2 A Bill of Sale in the form annexed hereto as Exhibit 2.

14.1.3 A letter to each Tenant advising them of the change of ownership of the Property in accordance with General Obligations Law Section 7-105, in the form of Exhibit 9 annexed hereto (the "Tenant Notice Letter"), and Purchaser agrees to deliver the Tenant Notice Letter to each Tenant promptly after the Closing. Purchaser hereby indemnifies and holds Seller harmless from and against all loss, cost and expense incurred by Seller as a result of Purchaser's failure to so deliver the Tenant Notice Letter to each Tenant promptly after the Closing, and this sentence shall survive the Closing.

14.1.4 An Assignment and Assumption of Service, Maintenance and Concessionaire Agreements, in the form annexed hereto as Exhibit 3.

14.1.5 An Assignment and Assumption of Landlord's Interest in Space Leases, in the form annexed hereto as Exhibit 4.

14.1.6 All current records within Seller's possession reasonably required for the continued operation of the Property, including but not limited to, service contracts, plans, surveys, Space Leases, lease files, licenses, permits, warranties, guaranties, insurance policies assigned to Purchaser at Closing, records of current expenditures for repairs and maintenance, and the certificate of occupancy.

14.1.7 An Assignment of Licenses and/or Permits, in the form annexed hereto as Exhibit 5.

14.1.8 An Assignment of Warranties and Guarantees, in the form annexed hereto as Exhibit 6.

14.1.9 An Assignment and Assumption of the Brokerage Agreements in the form annexed hereto as Exhibit 10.

14.1.10 All keys and combinations to locks at the Property which are in Seller's possession.

14.1.11 A duly executed letter agreement by which Seller and Purchaser agree to correct any errors in prorations as soon after the Closing as amounts are finally determined, in the form annexed hereto as Exhibit 7 (the "Post-Closing Adjustment Letter").

14.1.12 Evidence reasonably acceptable to Purchaser and the Title Company authorizing the consummation by Seller of the transaction contemplated by this Agreement, and the execution and delivery of documents on behalf of Seller.

14.1.13 The certificate with respect to FIRPTA compliance in the form of Exhibit 8 annexed hereto.

14.1.14 The New York City Department of Finance Real Property Transfer Tax Return (the "RPT Return") and the New York State Combined Real Estate Transfer Tax Return and Credit Line Mortgage Certificate (the "Form TP-584").

14.1.15 The Tenant Estoppel Statements required pursuant to Section 10.4 hereof (and/or Seller's Estoppel Statements in lieu of one or more such required Tenant Estoppel Statements).

14.1.16 The Lessor's Consent (i.e., NY Graybar L.P. Consent) and Lessor's Estoppel Statement or Seller's Operating Sublease Estoppel Statement required pursuant to Section 10.5 or 10.6 hereof.

14.1.17 The Associates Consent and the Metlife Consent required pursuant to Section 10.6 hereof.

14.2 Purchaser's Obligations at Closing. Purchaser shall deliver or cause to be delivered to Seller on the Closing Date the following:

14.2.1 The Cash Balance.

14.2.2 Duplicate originals of the Assignment and Assumption of Landlord's Interest in Space Leases, the Assignment and Assumption of Service, Maintenance and Concessionaire Agreements, the Assignment and Assumption of Brokerage Agreements, the Post-Closing Adjustment Letter, the RPT Return, Form TP-584, the Tenant Notice Letters, and an Assumption of the Operating Sublease in the form of Exhibit 11 annexed hereto, duly executed by Purchaser, together with such other documents and instruments necessary to assume the tenant's interest in the Operating Sublease.

14.2.3 Evidence reasonably acceptable to Seller and the Title Company authorizing the consummation by Purchaser of the transaction which is the subject of this Agreement, and the execution and delivery of documents on behalf of Purchaser.

14.2.4 Such other documents as may be reasonably and customarily required by the Title Company to consummate the transaction contemplated by this Agreement.

ARTICLE 15

VIOLATIONS

Without limiting the generality of the provisions of this Article 15,

Purchaser agrees to purchase the Property subject to any and all notes or notices of violations of law, or municipal ordinances, orders or requirements whatsoever noted in or issued by any federal, state, municipal or other governmental department, agency or bureau, or any other Governmental Authority having jurisdiction over the Property (collectively, "Violations"), or any lien imposed in connection with any of the foregoing, or any condition or state of repair or disrepair or other matter or thing, whether or not noted, which, if noted, would result in a violation being placed on the Property. Seller shall have no duty to remove or comply with or repair or disrepair any condition, matter or thing, whether or not noted, which, if noted, would result in a violation being placed on the Property. Seller shall have no duty to remove or comply with or repair any of the aforementioned Violations, liens or other conditions, and Purchaser shall accept the Property subject to all such Violations and liens, the existence of any conditions at the Property which would give rise to such Violations or liens, if any, and any governmental claims arising from the existence of such Violations and liens, in each case without any abatement of or credit against the Purchase Price.

ARTICLE 16

SALES TAX

Although it is not anticipated that any sales tax shall be due and payable, Purchaser agrees that Purchaser shall pay any sales tax assessed in connection with the sale of the Property to Purchaser and save, defend, indemnify and hold Seller harmless from and against any and all liability for any sales tax which may now or hereafter be imposed upon Seller or the Property with respect to the sale of any personal property. The parties hereto agree that no part of the Purchase Price is attributable to personal property. The provisions of this Section shall survive the Closing.

ARTICLE 17

UNPAID TAXES

17.1 The amount of any unpaid real estate taxes, assessments, water charges and sewer rents other than items subject to proration as heretofore provided, which Seller is obligated to pay and discharge may, at the option of Seller, be allowed to Purchaser out of the Cash Balance, provided that official bills therefor with interest and penalties thereon calculated to said date are furnished by Seller at the Closing.

17.2 Seller may use any portion of the Cash Balance to satisfy any liens or encumbrances which exist on the Closing Date which are not Permitted Encumbrances, provided that Seller delivers to Purchaser at Closing instruments in recordable form sufficient to satisfy such liens and encumbrances of record, together with the cost of recording or filing said instruments, or pay such sums or perform such acts as will enable the Title Company to insure Purchaser that such lien(s) will not be collected out of the Property, or deposit with Purchaser's attorneys reasonably sufficient funds to enable Purchaser's attorneys to obtain and record such instruments.

17.3 The existence of (i) any taxes, assessments, water charges, or sewer rents referred to in Section 17.1, or (ii) any other liens or encumbrances, shall not be deemed Title Objections if Seller elects to proceed pursuant to the provisions of Section 17.2, provided that Seller complies with the requirements set forth in Sections 17.1 and 17.2 hereof.

17.4 If Seller requests within a reasonable time prior to the Closing Date, Purchaser agrees to provide at the Closing separate certified checks or official cashier's checks, which in the aggregate equal the amount of the Cash Balance, in order to facilitate the satisfaction of any unpaid (and due) real estate taxes, assessments, water charges or sewer rents, liens and/or encumbrances referred to in Section 17.1, and, if Seller elects to proceed pursuant to the provisions of Section 17.2, the payment of any liens and encumbrances referred to therein.

ARTICLE 18

THE CLOSING

18.1 The Closing. The sale and purchase of the Property contemplated by the terms and conditions of this Agreement shall be consummated at the Closing.

18.1.1 Location and Date of Closing. Subject to the satisfaction of the terms and conditions herein set forth, the Closing shall take place at the offices of Seller's attorneys, Bachner, Tally, Polevoy & Misher LLP, 380 Madison Avenue, New York, New York at 10:00 A.M., on March 18, 1998 (the "Closing Date").

18.1.2 Delivery of Documents. At the Closing, the Assignment of the Ground Lease shall be delivered to the Purchaser upon Seller's receipt of the payments provided for in Article 2, and the delivery of the documents referred to in Section 14.2.

18.2 Time of Essence. Time shall be of the essence as to Purchaser's

obligations to close the purchase of the Property, pursuant to this Agreement, on the Closing Date. For purposes of this Agreement, the term "Business Day" shall mean all days except Saturdays, Sundays, and all days observed by the Federal Government or New York State as legal holidays.

ARTICLE 19

NOTICES

Except as otherwise provided in this Agreement, any and all notices, elections, demands, requests and responses permitted or required to be given pursuant to this Agreement shall be in writing, signed by the party giving the same or by its attorneys, and shall be deemed to have been duly given and effective upon being: (i) personally delivered with receipt for delivery; or (ii) deposited with a nationally recognized express overnight delivery service (e.g., Federal Express) for next Business Day delivery with receipt for delivery; or (iii) deposited in the United States mail, postage prepaid, certified with return receipt requested, to the other party at the address of such other party set forth below, or at such other address within the continental United States as may be designated by a notice of change of address and given in accordance herewith. The time period in which a response to any such notice, election, demand or request must be given shall commence on the date of receipt thereof. Personal delivery to a party or to any officer, partner, agent or employee of such party at said address shall be deemed given and received at the time delivered. Rejection or other refusal to accept, or inability to deliver because of changed address of which no notice has been received, shall also constitute receipt. Any such notice, election, demand, request or response shall be addressed to the respective parties as follows:

(i) if to Seller, to:

c/o Helmsley Enterprises, Inc.
230 Park Avenue
New York, New York 10169
Attention: Harold A. Meriam, III, Esq.

with a copy to:

Bachner, Tally, Polevoy & Misher LLP
380 Madison Avenue
New York, New York 10017-2513
Attention: Martin D. Polevoy, Esq.

(ii) if to Purchaser, to:

Benjamin P. Feldman, Esq.
SL Green Realty Corp.
70 West 36th Street
New York, New York 10018

with a copy to:

Richard A. Rosenbaum, Esq.
Greenberg, Traurig, Hoffman, Lipoff, Rosen & Quentel
153 East 53rd Street, 35th Floor
New York, New York 10022

ARTICLE 20

DEFAULT

20.1 Purchaser's Default. If Purchaser fails to accept title and pay the Cash Balance in accordance with this Agreement, the Deposit, together with all interest accrued thereon, if any, shall be retained by Seller as liquidated damages and as Seller's sole and exclusive remedy for Purchaser's default, except as provided in the last sentence of this Section 20.1 as to post-closing defaults by Purchaser only. The provisions herein contained for liquidated and agreed upon damages are bona fide provisions for such and are not a penalty, the parties agreeing that by reason of Seller binding itself to the sale of the Property and by reason of the withdrawal of the Property from sale at a time when other parties would be interested in acquiring the Property, that Seller will sustain damages if Purchaser defaults, which damages will be substantial but will not be capable of determination with mathematical precision, and therefore, as aforesaid, this provision for liquidated and agreed upon damages has been incorporated in this Agreement as a provision beneficial to both parties. Notwithstanding the foregoing provisions of this Section, there shall be no limitation on Purchaser's liabilities or Seller's remedies with respect to any indemnities made by Purchaser that are specifically stated herein to survive the termination of this Agreement.

20.2 Seller's Default. Reference is hereby made to Sections 21.1 and 21.2 hereof for Purchaser's exclusive remedies in the event of a breach of representation or failure to perform any agreement set forth in this Agreement on the part of Seller. If Seller shall default in the performance of its obligations hereunder, whether or not Purchaser shall have elected to accept title in accordance with the provisions of Section 5.2 hereof, then Purchaser's sole remedy shall be either to (i) terminate this Agreement and receive a refund of the Deposit together with any interest accrued thereon, or (ii) bring an action for specific performance of Seller's obligations

under this Agreement, provided, however, that if Purchaser shall not have commenced such action within a period of thirty (30) days following the date scheduled for Closing hereunder, Purchaser shall be deemed to have waived its right to proceed under this clause (ii) and shall be deemed instead to have elected the remedy provided for in clause (i) of this sentence.

ARTICLE 21

CONDITIONS; SURVIVAL

21.1 Conditions. (a) If Purchaser has actual knowledge, or should have actual knowledge by inspection of the Property or of the public records at or before the Closing, that (i) any representation of Seller hereunder is untrue, as of the date represented, or (ii) Seller has failed to perform, observe or comply with any covenant, agreement or condition to be performed hereunder, Purchaser shall notify Seller of such within five (5) days after discovery by Purchaser. Purchaser's failure to so notify Seller shall be deemed to constitute Purchaser's waiver of same as a condition to Closing and otherwise.

(b) In the event that (A) any of Seller's representations made in Section 3.1 are not true as of the date of this Agreement (and for the purposes hereof a representation shall be untrue only if factually untrue and having a material adverse business or legal impact on Purchaser), and (B) Purchaser has actual knowledge, or should have actual knowledge by inspection of the Property or of the public records at or before the Closing that any of Seller's representations referred to in clause (A) of this sentence are untrue, then Purchaser may, as its sole remedy (whether at law or in equity), all other claims for damages or specific performances being hereby expressly waived by Purchaser, elect to terminate this Agreement, and the sole liability of Seller shall be to return to Purchaser the Deposit, together with any interest accrued thereon, and thereupon, this Agreement shall be null and void and the parties hereto shall be relieved of all further obligations and liability under this Agreement, other than with respect to those obligations and liabilities which expressly survive the termination of this Agreement.

21.2 Survival. Except as specifically set forth to the contrary in this Agreement, none of the representations, warranties, covenants, indemnities, agreements, obligations or commitments made by Seller in this Agreement shall survive the Closing, the same being merged in the conveyance. If survival is herein provided and no time specified, such matter or matters shall be the basis for a claim against Seller only if asserted in writing within six (6) months after the Closing Date.

ARTICLE 22

SUCCESSORS AND ASSIGNS

22.1 Assignment. Neither this Agreement nor any of the rights of Purchaser hereunder (nor the benefits of such rights) may be assigned, transferred or encumbered without Seller's prior written consent, which consent may be granted or denied in Seller's sole and absolute discretion, and any purported assignment, transfer or encumbrance without Seller's prior written consent shall be void. Purchaser expressly covenants and agrees that:

(a) if Purchaser is a corporation, a sale or transfer (or the granting of an option, put or call right with respect to a transfer) of more than one percent (1%) (at any one time or, in the aggregate, from time to time) of the shares of any class of the issued and outstanding stock of Purchaser, its successors or assigns, or the issuance of additional shares of any class of its stock to the extent of more than one percent (1%) (at any one time or, in the aggregate, from time to time) of the number of shares of said class of stock issued and outstanding on the date hereof, or

(b) if Purchaser is a partnership, joint venture or limited liability company, a sale or transfer (or the granting of an option, put or call right with respect to a transfer) of more than one percent (1%) (at any one time or, in the aggregate, from time to time) of the partnership, joint venture, membership or other unincorporated association interests of Purchaser, its successors or assigns, or the issuance of additional partnership, joint venture or member interests of any class to the extent of more than one percent (1%) (at any one time or, in the aggregate, from time to time) of the amount of partnership, joint venture or member interests issued on the date hereof, shall, in any such case, constitute an assignment of this Agreement. Unless, in each instance, the prior written consent of Seller has been obtained, any such assignment shall constitute a material default under this Agreement and shall entitle Seller to exercise all rights and remedies under this Agreement, at law or equity, in the case of such a default.

22.2 Affiliate. To enable Purchaser to assign its right to take title to the Property without a change in control or substantial change in equity ownership, Seller shall not unreasonably withhold its consent to an assignment of Purchaser's rights under this Agreement, concurrently with Closing, to a general or limited partnership or limited liability company in which the Purchaser named herein is the managing general partner or Manager, and continues to own an equity interest in assignee that does not constitute an assignment as described in Section 22.1(b) above. Any obligations of the

Purchaser may be performed by such assignee, and the Seller agrees to accept such performance as if it were the performance of the Purchaser. No such assignment shall modify the named Purchaser's obligations hereunder, reduce or limit any liability of the named Purchaser or provide for a secondary liability or surety obligation of the named Purchaser who shall remain primarily liable notwithstanding any liability assumed by assignee. The foregoing shall in no event cause liability on the part of Seller for failure to consent and Purchaser or assignee's remedy shall be limited to specific performance.

Notwithstanding anything to the contrary set forth above or elsewhere in this Agreement, Purchaser shall have the right (subject to the provisions of the next sentence), in Purchaser's sole discretion (and without the need or any requirement for obtaining Seller's consent), to assign at Closing its rights under this Agreement to any single purpose entity whose beneficial interest is wholly owned by SL Green Operating Partnership, L.P. Notwithstanding the provisions of the immediately preceding sentence, in the event Purchaser intends to make such an assignment, no such assignment shall be effective hereunder unless Purchaser notifies Seller of the fact that such assignment has been or will be made not more than ten (10) days after execution and delivery by Purchaser of this Agreement. In no event shall Seller be requuments from any party other than Seller (as for example a lessor consent) to accommodate such assignment.

ARTICLE 23

BROKERS

23.1 Purchaser's Representation. Purchaser represents and warrants to Seller that it has not dealt with any broker, finder or consultant other than Eastdil Realty Company, LLC (the "Broker"), in connection with the transaction which is the subject of this Agreement, and that all negotiations involving Purchaser with respect to the terms of this Agreement were conducted by or through Broker. Purchaser further represents and warrants that in the event any claim is made for a broker's, finder's or consultant's commission or fee by anyone other than Broker as a result of any acts or actions of Purchaser or its representatives with respect to the within transaction, Purchaser, its heirs, successors and assigns do hereby agree to indemnify and hold Seller harmless from any and all loss, liability, cost, damage or expense with respect to such claims (including, without limitation, reasonable attorneys' fees and disbursements) without any charge or cost to Seller. Seller shall pay the brokerage commission to Broker in accordance with Seller's agreement with Broker if and when title passes hereunder. This Section shall survive the Closing or earlier termination of this Agreement.

ARTICLE 24

ESCROW

The parties hereto have mutually requested that Bachner, Tally, Polevoy & Misher LLP act as escrow agent (the "Escrow Agent") for the purpose of holding the Deposit in accordance with the terms of this Agreement and the Escrow Letter executed by and among Seller, Purchaser and Escrow Agent contemporaneously with the execution of this Agreement in the form of Exhibit 12 annexed hereto (the "Escrow Letter"). Purchaser recognizes that Escrow Agent represents Seller herein and has agreed to act as Escrow Agent as an accommodation to both parties hereto. Purchaser further acknowledges and agrees that in the event of any dispute between the parties to this Agreement or the Escrow Letter, Escrow Agent shall be free to continue its representation of Seller with regard to these matters. The Deposit, together with the interest accrued thereon, if any, shall be held by Escrow Agent until the earlier of the Closing, or such time as Seller or Purchaser may be entitled to a refund thereof in accordance with this Agreement. At such time Escrow Agent shall remit said sum, together with any interest actually accrued thereon, to the party entitled thereto in accordance with this Agreement. At the Closing, the Deposit, together with any interest actually accrued thereon, shall be paid to Seller. Escrow Agent shall have no liability to Seller or Purchaser with respect to the amount of interest earned on the Deposit while in escrow.

ARTICLE 25

MISCELLANEOUS

25.1 Merger. This Agreement constitutes the entire understanding between the parties with respect to the transaction contemplated herein, and all prior or contemporaneous oral agreements, understandings, representations and statements, and all prior written agreements, understandings, representations and statements are merged into this Agreement. Neither this Agreement nor any provisions hereof may be modified, amended, discharged or terminated except by an instrument in writing signed by the party against which the enforcement of such modification, amendment, discharge or termination is sought, and then only to the extent set forth in such instrument. Unless otherwise provided herein, no provision of this Agreement may be waived except by an instrument in writing signed by the party against which the enforcement of such waiver is sought.

25.2 Headings. The Article, Section, Schedule and Exhibit headings used herein are for convenience only, and are not to be used in determining

the meaning of this Agreement or any part hereof.

25.3 Governing Law. This Agreement and its interpretation and enforcement shall be governed by the laws of the State of New York without regard to conflict of law principles.

25.4 Jurisdiction. For the purposes of any suit, action or proceeding involving this Agreement, Seller and Purchaser hereby expressly submit to the jurisdiction of all federal and state courts sitting in the State of New York, and consent that any order, process, notice of motion or other application to or by any such court, or a judge thereof, may be served within or without such court's jurisdiction by registered mail or by personal service, provided that a reasonable time for appearance is allowed, and Seller and Purchaser agree that such courts shall have the exclusive jurisdiction over any such suit, action or proceeding commenced by either or both of said parties. In furtherance of such agreement, Seller and Purchaser agree upon the request of the other party to discontinue (or agree to the discontinuance of) any such suit, action or proceeding pending in any other jurisdiction.

25.5 Waiver of Venue and Inconvenient Forum Claims. Seller and Purchaser hereby irrevocably waive any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement brought in any federal or state court sitting in the State of New York, and hereby further irrevocably waive any claim that any such suit, action or proceeding is brought in any inconvenient forum.

25.6 Waiver of Jury Trial. Each of the parties hereto waives, irrevocably and unconditionally, any and all right to trial by jury in any action brought on, under, or by virtue of, or relating in any way to this Agreement or the transactions contemplated hereby, or any of the documents executed in connection herewith, the Property, or any claims, defenses, rights of set-off or other actions pertaining hereto or to any of the foregoing.

25.7 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the parties hereto.

25.8 Invalid Provisions. If any term or provision of this Agreement, or any part of any term or provision, or the application thereof to any person or circumstance shall to any extent be held invalid or unenforceable, the remainder of this Agreement or the application of such term or provision or remainder thereof to persons or circumstances other than those as to which it is held invalid and unenforceable shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

25.9 Schedules and Exhibits. All Schedules and Exhibits which are annexed to this Agreement are a part of this Agreement and are incorporated herein by reference.

25.10 No Other Parties. The provisions of this Agreement are for the sole benefit of the parties to this Agreement and their successors and permitted assigns, and shall not give rise to any rights by or on behalf of anyone other than such parties, and no party is intended to be a third party beneficiary hereof. No provisions of this Agreement, or of any of the documents and instruments executed in connection herewith, shall be construed as creating in any person or entity other than Purchaser and Seller and their permitted assigns any rights of any nature whatsoever.

25.11 Interpretation. This Agreement shall be construed without regard to any presumption or other rule requiring construction against the party causing this Agreement to be drafted.

25.12 Counterparts; Faxed Signatures. This Agreement may be executed in multiple counterparts, each of which shall, when executed, be deemed to be an original, and all of which when taken together shall constitute but one agreement. Each party may rely upon a faxed counterpart of this Agreement executed and delivered by the other party as if such counterpart were an original counterpart.

25.13 Binding Effect. This Agreement shall not become a binding obligation upon Seller until the same has been fully executed by Purchaser and Seller, and until a fully executed original counterpart thereof has been delivered by Seller to Purchaser.

25.14 Recordation. Neither this Agreement, nor any other document related hereto, nor any memorandum thereof shall be recorded, and any such recording shall be void and of no force or effect.

25.15 Litigation Fees. In the event that any litigation arises under this Agreement, the prevailing party (which term shall mean the party

which obtains substantially all of the relief sought by such party) shall be entitled to recover, as a part of its judgment, reasonable attorneys' fees.

25.16 Title Omissions. Any and all of the title matters which Purchaser shall take title to the Property subject to, as specified in this Agreement, may be omitted by Seller in the Assignment of the Ground Lease to be delivered to Purchaser at the Closing, provided, however, that all such provisions so omitted shall not be in violation of any covenants contained in the Assignment of the Ground Lease.

25.17 Defined Terms. The references to defined terms used in this Agreement are listed in the Section of this Agreement entitled "Defined Terms."

25.18 Singular/Plural. The use of the singular shall be deemed to include the plural, and vice versa, whenever the context so requires.

ARTICLE 26

AFFILIATED PURCHASE AGREEMENT

26.1 Affiliate Purchaser. Purchaser or an Affiliate of Purchaser (as hereinafter defined) is concurrently entering into agreements to purchase one or more properties from Seller or an Affiliate of Seller (as hereinafter defined). As used herein, the term "Affiliate of Purchaser" shall mean any entity or person under the control of, controlled by or under common control with Purchaser. As used herein, the term "Affiliate of Seller" shall mean any entity or person under the control of, controlled by or under common control with Seller.

26.2 Affiliate Properties. The properties that Purchaser or an Affiliate of Purchaser and Seller or an Affiliate of Seller have entered into agreements to sell are:

(i) 1466 Broadway, New York, N.Y.; and

(ii) 25 West 43rd Street, New York, N.Y. or a leasehold estate therein (collectively "Affiliate Properties").

26.3 Rights on Purchaser Default. If Purchaser or an Affiliate of Purchaser has entered into an agreement of sale and purchase with Seller or an Affiliate of Seller pursuant to which Purchaser or an Affiliate of Purchaser has agreed to purchase one or more Affiliate Properties (an "Affiliate Contract"), and if Purchaser or Affiliate of Purchaser shall default under the Affiliate Contract, or if for any other reason (other than Seller or Affiliate of Seller's default) Purchaser or Affiliate of Purchaser fails to acquire the property to be conveyed thereunder pursuant to the terms thereof, or in the event Purchaser defaults under the Affiliate Contract or otherwise is responsible without just cause for a delay of the closing under the Affiliate Contract, then and in such event Seller, shall have the following rights, which it may exercise in its sole and absolute discretion without prior notice, at any time up to and including the completion of the Closing (under this Agreement):

26.3.1 Seller may elect to terminate this Agreement (i) with the same effect as if it were terminated for Purchaser's default hereunder if the reason for Purchaser's failure to close under the Affiliate Contract is Purchaser's or Affiliate of Purchaser's default thereunder, or (ii) with the same effect as if it were terminated pursuant to Section 11.1.1 hereof, if the reason for Purchaser's or Affiliate of Purchaser's failure to close under the Affiliate Contract is other than Purchaser's Default thereunder; or

26.3.2 In the event Seller does not elect to terminate this Agreement pursuant to subsection 26.3.1, or if Purchaser defaults under the Affiliate Contract or otherwise is responsible without just cause for a delay of the closing under the Affiliate Contract, Seller may elect to adjourn the Closing hereunder to a date which will be concurrent with any date to which the closing under the Affiliate Contract may have been adjourned so as to coordinate both closings; or

26.3.3 Seller may elect to proceed with the Closing (hereunder), notwithstanding that the closing under the Affiliate Contract has not occurred or may not thereafter occur.

26.4 From the date hereof and continuing through the period which is six (6) months following the Closing, Seller shall make available to Ernst & Young (as agent for Purchaser) at the offices of Seller or Seller's agent all of the books and records with respect to the operation of the Property with respect to calendar year 1997 and that portion of calendar year 1998 preceding any such investigation or audit during normal business hours. During such period, Ernst & Young, at Purchaser's sole cost and expense, may inspect and audit such books and records with respect to calendar year 1997 (and portion of 1998) and, in this regard, Seller shall cooperate (at no cost to Seller) with Purchaser in Purchaser's inspection and audit.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement

of Sale and Purchase as of the date first above written.

GRAYBAR BUILDING COMPANY,
a New York general partnership

By: 9179 Equities Associates,
a New York general partnership

By:_____
Leona M. Helmsley
General Partner

SL GREEN OPERATING PARTNERSHIP, L.P.,
a Delaware limited partnership

By: SL GREEN REALTY CORP.,
a Maryland corporation, its general partner

By:_____
Name:
Title:

AGREEMENT OF SALE AND PURCHASE

between

1466 BROADWAY ASSOCIATES,

SELLER

and

SL GREEN OPERATING PARTNERSHIP, L.P.,

PURCHASER

Date: January __, 1998

PREMISES:

1466 BROADWAY
NEW YORK, NEW YORK

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SCHEDULES

EXHIBITS

INITIALLED BINDERS

(a) Lease Binders

(b) Service and Maintenance Agreement Binders

(c) Brokerage Agreement Binders

LIST OF DEFINED TERMS

AGREEMENT OF SALE AND PURCHASE (this "Agreement") is made and entered into as of January 20, 1998, by and between 1466 BROADWAY ASSOCIATES, a New York general partnership, having an office c/o Helmsley Enterprises, Inc., 230 Park Avenue, New York, New York 10169 ("Seller"), and SL GREEN OPERATING PARTNERSHIP, L.P., a Delaware limited partnership, having an office at 70 West 36th Street, New York, New York 10018 ("Purchaser").

W I T N E S S E T H :
- - - - - - - - - -

Seller hereby agrees to sell and convey to Purchaser, and Purchaser hereby agrees to purchase from Seller, upon the terms and conditions hereinafter set forth, the "Property" (as such term is defined in Article 1 hereof).

NOW THEREFORE, in consideration of the premises and of the mutual covenants and agreements hereinafter set forth, and subject to the terms, provisions and conditions hereof, Seller and Purchaser hereby covenant and agree as follows:

ARTICLE 1

INCLUSIONS IN SALE AND EXCLUSIONS

1.1 The term "Property" shall mean the following:

1.1.1 The land described in Schedule "A" annexed hereto (the "Land").

1.1.2 All of Seller's right, title and interest in and to the buildings, structures and improvements, together with the tenements, hereditaments and appurtenances thereto belonging or in any way appertaining, now erected or situate on the Land (collectively, the "Building"). The Building's street address is 1466 Broadway (also known as 152 West 42nd Street), New York, New York.

1.1.3 All of Seller's right, title and interest in and to the fixtures, equipment, machinery and personal property used in connection with the operation of the Building and owned by Seller, and not being the property of any space tenant or occupant at the Building, manager or leasing agent, or any other third party.

1.1.4 All right, title and interest of Seller, if any, in and to any land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Land, to the center line thereof, and any strips and gores adjacent to the Land, and all right, title and interest of Seller in and to any award made or to be made in lieu thereof and in and to any unpaid award for damage to the Land and Building by reason of change of grade of any street.

1.1.5 All space leases now or hereafter covering offices, stores and other spaces situate at or within the Building (the "Leases"), and all of the right, title and interest of the landlord under the Leases, and, subject to the provisions of Section 13.1.11 hereof, all security deposits paid or deposited by space tenants or occupants in respect of Leases (individually, a "Tenant" and collectively, the "Tenants"), applicable to Tenants in possession under the Leases at "Closing" (as such term is defined in Section 13.1 hereof), which shall not have been applied in accordance with the provisions of such Leases.

1.2 The term "Property" shall exclude the following:

1.2.1 Any existing cause of action, or damage claim, of Seller.

1.2.2 All rights and interests of Seller as owner of the Property arising prior to the Closing (including but not limited to, tax refunds, casualty or condemnation proceeds, applied tenant deposits, utility deposits, rent in arrears and rent escalations) attributable to periods prior to Closing.

ARTICLE 2

PURCHASE PRICE

2.1 Purchase Price. The purchase price for the Property to be paid by Purchaser to Seller shall be the amount of Sixty-Four Million Dollars ($64,000,000.00) (the "Purchase Price").

2.2 Payment of Purchase Price. Purchaser agrees to pay the Purchase Price to Seller as follows:

2.2.1 Deposit. Six Million One Hundred Fifty Thousand Dollars ($6,150,000.00) (the "Deposit") paid simultaneously herewith by Purchaser's certified check or cashier's check, subject to collection, in the amount of such sum payable to the direct order of "Bachner, Tally, Polevoy & Misher LLP, as escrow agent," drawn on a bank which is a member of The New York Clearing House Association. In the event such check fails to be paid by the bank upon which it is drawn on first presentment, other than as a result of an error of the drawee bank, then any rights of Purchaser hereunder may be terminated by notice given by Seller to Purchaser. The proceeds of such Deposit and all interest accrued thereon shall be held in escrow and shall be payable in accordance with Article 24 hereof.

2.2.2 Payment at Closing. Fifty-Seven Million Eight Hundred Fifty Thousand Dollars ($57,850,000.00) (the "Cash Balance") shall be paid by Purchaser to Seller at the Closing. The Cash Balance shall be paid by wire transfer of immediate clearance "Federal Reserve Funds" (as such term is hereinafter defined) to such account and bank as Seller may, in writing, designate, provided that Seller may designate on one (1) business days notice that the Cash Balance be wire transferred to not more than three (3) designated recipients. As used herein, the term "Federal Reserve Funds" shall be deemed to mean the receipt by a bank or banks in the continental United States designated by Seller of U.S. dollars in form that does not require further clearance, and may be applied at the direction of Seller by such recipient bank or banks on the day of receipt of advice that such funds

have been wire transferred. The description of the manner in which such funds are to be transmitted and the number of designated recipients thereof shall apply with respect to the Cash Balance as well as to any other funds to be paid to Seller hereunder, including but not limited to any funds to be paid to Seller as a result of the adjustments to be made pursuant to Article 13 hereof.

ARTICLE 3

REPRESENTATIONS AND WARRANTIE

3.1 Representations of Seller. Seller hereby represents and warrants to Purchaser that the following facts and conditions exist on the date hereof, to the best of Seller's knowledge:

3.1.1 Leases. (a) The only Leases as of the date hereof are those listed on Schedule "B" annexed hereto (the "Schedule of Leases"). A copy of each of the Leases set forth on Schedule "B" has been reviewed by Purchaser and/or its counsel and delivered by Seller to Purchaser simultaneously herewith in velobound binders (the "Lease Binders") and initialed by Seller and Purchaser and/or their respective counsel. No representation is made as to (i) possible assignments of any Leases not consented to by Seller, or (ii) any subleases or underleases.

(b) Seller does not warrant that any particular Lease will be in force or effect at the Closing or that the Tenants will have performed their obligations thereunder. The termination of any Lease prior to the Closing shall not affect the obligations of Purchaser under this Agreement, or entitle Purchaser to an abatement of or credit against the Cash Balance, or give rise to any other claim on the part of Purchaser.

(c) If any space in the Building is vacant on the Closing Date, Purchaser shall accept the Property subject to such vacancy, provided that the vacancy was not permitted or created by Seller in violation of any restrictions contained in this Agreement.

(d) The rent roll attached hereto as Schedule "D" (the "Rent Roll") contains a list of:

(i) all Tenants of the Property as of the date hereof;

(ii) the premises in the Building leased to each Tenant;

(iii) the base rent billed to Tenants during the month of December, 1997 and additional rent (exclusive of real estate tax escalation amounts) billed to Tenants during the month of December, 1997; and

(iv) the security deposit, if any, held by Seller with respect to each Tenant as of October 31, 1997.

To the best of Seller's knowledge, the information contained on the Rent Roll is true and correct in all material respects. With respect to any monetary amounts described on the Rent Roll, the term "true and correct in all material respects" shall be construed to mean that, to the extent the Rent Roll overstates or understates the actual amounts of such items, the net adverse economic effect on Purchaser of such understatements or overstatements in the aggregate does not exceed an amount equal to four (4%) percent of the Purchase Price.

3.1.2 Service and Maintenance Agreements. The only service and maintenance agreements affecting the Land or Building as of the date hereof are those listed on Schedule "E" annexed hereto (the "Service and Maintenance Agreements"). A copy of each the Service and Maintenance Agreements set forth on Schedule "E" has been reviewed by Purchaser and/or its counsel and delivered by Seller to Purchaser simultaneously herewith in velobound binders (the "Service and Maintenance Agreement Binders") and initialed by Seller and Purchaser and/or their respective counsel.

3.1.3 Brokerage Agreements. The only written agreements for the payment of leasing commissions in connection with the Leases as of the date hereof are those listed on Schedule "F-1" annexed hereto (such agreements, together with any additional such agreements made in accordance with the provisions of this Agreement, collectively, the "Brokerage Agreements"). A copy of each existing Brokerage Agreement has been delivered by Seller to Purchaser simultaneously herewith in velobound binders (the "Brokerage Agreement Binders") and initialed by Seller and Purchaser and/or their respective counsel. Schedule "F-2" annexed hereto sets forth a list of all (i) commissions which have been earned and are payable under the Brokerage Agreements prior to the date of this Agreement which have not been paid, and (ii) any commissions already earned under the Brokerage Agreements and which are payable in one or more installments after the date of this Agreement. Brokerage commissions payable under the Brokerage Agreements shall be adjusted and prorated between Seller and Purchaser as provided in Article 13 hereof.

3.1.4 Employees. The only employees of Seller or Seller's managing agent engaged in the operation or maintenance of the Property are

listed on Schedule "G-1" annexed hereto. Schedule "G-1" also sets forth the position, length of employment and current salary or wage rate of each such employee as of the date of this Agreement. Except as set forth on Schedule "G-2" annexed hereto and except with respect to City Wide Maintenance (as noted in Schedule G-1), Seller has no written agreements relating to Building employees, including, without limitation, union agreements, collective bargaining agreements, employee benefit plans, and/or employment agreements covering Building employees.

3.1.5 Intentionally Omitted.

3.1.6 No Foreign Person. Seller is not a "foreign person" as such term is defined in Section 1445 of the Internal Revenue Code of 1954, as amended (the "Code"), nor will the sale transaction herein contemplated be subject to Section 897 of the Code or to the withholding requirements of Section 1445 of the Code.

3.1.7 Incomplete Landlord's Work and Unpaid Work Allowances. Schedule "M-1" annexed hereto sets forth a list of items of construction or leasehold improvement work remaining to be performed by Seller with respect to the occupancy of any Tenant pursuant to the provisions of such Tenant's Lease. Schedule "M-2" annexed hereto sets forth a list of remaining contributions to be made by Seller with respect to construction or leasehold improvement work being performed or which had been performed or remains to be performed by Tenant for its occupancy pursuant to the provisions of such Tenant's Lease.

3.1.8 Litigation. Seller has received no written notice of any (i) pending condemnation or similar proceeding affecting the Property or any portion thereof, or (ii) pending legal action, suit, arbitration, order or judgment, government investigation or proceeding, in any case affecting the Property or Seller (but not the partners, members or principals of Seller, as the case may be) except for (x) claims and actions which are covered by insurance and (y) those actions described on Schedule "N" annexed hereto.

3.2 Reliance upon Document Binders. The Lease Binders, Brokerage Agreement Binders and Service and Maintenance Agreement Binders are hereinafter collectively called the "Document Binders." The instruments set forth in the Document Binders constitute the sole reliance by Purchaser with respect to the matters therein set forth and not the Schedules and Exhibits annexed hereto, Purchaser acknowledging that, in the event of any conflict between the matters set forth in any instrument in a Document Binder and any representation contained in this Agreement or Schedules and Exhibits annexed hereto, Purchaser has relied solely upon the instrument as set forth in the Document Binders in entering into this Agreement.

3.3 Authority and Binding Effect; No Breach or Prohibition. Each party hereto represents to the other that each person or entity executing this Agreement by or on behalf of the representing party has the authority to act on its behalf and to bind it, and that each person or entity executing any closing documents by or on its behalf, has been or will be duly authorized to act on its behalf, and that the performance of this Agreement will not be in violation of its by-laws, charter, operating or partnership agreement, or any law, ordinance, rule, regulation or order of any governmental body having jurisdiction, or the provisions of any agreements to which it is a party or by the terms of which it is bound, and, at the Closing, each party shall furnish to the other party and to the "Title Company" (as such term is defined in Section 5.1 hereof), reasonably satisfactory evidence of such authority and approval. This Section shall survive the Closing.

3.4 Purchaser's Knowledge; Disclosure. To the extent that Purchaser has, subsequent to the date hereof, actual knowledge of any default or any misrepresentation or incorrect warranty of Seller made in this Agreement or in the Document Binders, Purchaser shall promptly notify Seller of same. Reference is made to Section 21.1 hereof with respect to the effect of Purchaser's knowledge of any misrepresentation or incorrect warranty at or before the Closing Date.

3.5 Disclaimer of Representations and Warranties. Purchaser acknowledges that except as expressly provided herein, neither Seller nor anyone acting for or on behalf of Seller has made any representation, warranty, or promise to Purchaser concerning: (a) the physical aspect and condition of any portion of the Property; (b) the feasibility or desirability of the purchase of the Property; (c) the market status, projected income from or development expenses of the Property; (d) the Property's compliance or non-compliance with any requirements of laws; or (e) any other matter whatsoever with respect to the Property (except as contained herein), express or implied, including, by way of description but not limitation, those of fitness for a particular purpose, tenantability, habitability and use; and that all matters concerning the Property are to be independently verified by Purchaser. Purchaser acknowledges that except as otherwise expressly provided in this Agreement, it is purchasing the Property in its currently existing physical condition and in its currently existing state of repair.

3.6 Right to Adjourn Closing. Seller shall have the right to adjourn

the Closing for up to ninety (90) days for the purpose of curing any default, misrepresentation or incorrect warranty.

ARTICLE 4

STATE OF TITLE OF PROPERTY

4.1 Permitted Encumbrances. Purchaser shall accept title to the Property subject to the following (the "Permitted Encumbrances"):

4.1.1 Any and all present and future zoning restrictions, regulations, requirements, laws, ordinances, resolutions and orders of any city, town or village in which the Property lies, and of all boards, bureaus, commissions, departments and bodies of any municipal, county, state or federal sovereign or other governmental authority now or hereafter having or acquiring jurisdiction of the Property or the use and improvement thereof (such authority is herein called a "Governmental Authority").

4.1.2 The state of facts shown on the survey prepared by Earl B. Lovell - S.P. Belcher, Inc. described on Schedule "H" annexed hereto (the "Contract Survey"), and the survey exceptions listed on Schedule "H" annexed hereto, and any other state of facts shown on an accurate survey of the Property, or any part thereof, provided such other state of facts does not materially adversely affect Purchaser's ability to use the Building for its present uses.

4.1.3 The Leases listed on Schedule "B" annexed hereto, and any extensions, renewals or modifications thereof, or new Leases entered into in accordance with this Agreement. Nothing contained in this Agreement shall be deemed to prohibit Seller from terminating any tenancy by reason of default of a Tenant under its Lease, from bringing proceedings to dispossess any Tenant, or applying a Tenant's security deposit as allowed under its Lease.

4.1.4 The covenants, restrictions, easements, and agreements of record listed on Schedule "I" annexed hereto, and such other covenants, restrictions, easements and agreements of record, if any, affecting the Property, or any part thereof, provided such other covenants, restrictions, easements and agreements of record are not violated by existing structures, and do not materially adversely affect the present use of the Building.

4.1.5 Any state of facts a physical inspection of the Property would show.

4.1.6 The Service and Maintenance Agreements set forth on Schedule "E" annexed hereto, and any renewals thereof, or substitutions therefor, or additions thereto, provided such renewals, substitutions and additions are made in the ordinary course of Seller's business.

4.1.7 All violations and/or notes or notices of violations of law or municipal ordinances, orders, or requirements noted in or issued by any Governmental Authority having jurisdiction against or affecting the Property.

4.1.8 Any mechanic's lien or other lien which is the obligation of a Tenant under any Lease to bond or remove of record.

4.1.9 Real estate taxes, assessments, Business Improvement District charges and like charges for the fiscal year in which the Closing occurs and all fiscal years thereafter.

4.1.10 Any exception to coverage by the Title Company, provided that the Title Company insures same against collection out of or enforcement against the Property.

4.1.11 Any easement or right of use created in favor of any public utility company for electricity, steam, gas, telephone, water or other service, and the right to install, use, maintain, repair and replace wires, cables, terminal boxes, lines, service connections, poles, mains, facilities and the like, upon, under and across the Property.

4.1.12 The printed exceptions contained in the form of title insurance policy then issued by the Title Company which shall insure Purchaser's title.

4.1.13 Possible lack of right to maintain vaults, fences retaining walls, chutes, cornices and other installations encroaching beyond the property line and possible variance between the record description and the tax map.

ARTICLE 5

TITLE INSURANCE AND ABILITY OF SELLER TO CONVEY

5.1 Title Insurance. Purchaser agrees to make, promptly after the signing hereof, application for a title insurance policy directly from Chicago Title Insurance Company or Ticor Title Guarantee Company or Ticor Title Insurance Company (the "Title Company"), and to purchase any fee title insurance policy obtained by Purchaser in connection with the acquisition of the Property directly from the Title Company, provided however, Purchaser may

obtain a fee title policy conditioned upon coinsurance of fifty (50%) percent of the insured amount with each of Chicago Title Insurance Company and Ticor Title Insurance Company. Purchaser acknowledges receipt of a copy of the title report described in Schedule "J" annexed hereto (the "Contract Title Report"). Purchaser acknowledges and agrees that Purchaser has no objection to the state of title set forth in the Contract Title Report and the Contract Survey except that, at or before the Closing, Seller shall cause the title exceptions listed on Schedule "K" annexed hereto to be omitted as exceptions to title by bonding, satisfaction, affirmative insurance against collection, or otherwise. The Permitted Encumbrances shall remain and Purchaser shall be obligated to accept title subject to same. With respect to any continuation of the Contract Title Report or an updated Contract Survey, Purchaser shall deliver to Seller's attorneys, Bachner, Tally, Polevoy & Misher LLP, 380 Madison Avenue, New York, New York 10017, Attention: Martin D. Polevoy, Esq., a copy of such continuation or updated survey together with a written statement by Purchaser of any objections to title which have appeared for the first time in such continuation or on such updated survey (a "Subsequent Title Objection"), within ten (10) days of receipt of such continuation or updated survey, but in no event later than fifteen (15) days prior to the Closing Date, unless such change of circumstances occurred within such fifteen (15) day period. The failure by Purchaser to deliver any of the aforementioned documents to Seller's counsel within the time period specified in this Section 5.1 shall constitute a waiver by Purchaser of any and all objections that may arise with respect to matters contained in such documents. In the event Purchaser sends a written statement to Seller setting forth one or more Subsequent Title Objections which Seller is unable to remedy prior to the Closing Date, Purchaser hereby grants to Seller a reasonable adjournment of the Closing Date during which time Seller may attempt to remedy same for a period not to exceed ninety (90) days.

5.2 Title Objections. If there are any liens, charges, easements, agreements of record, encumbrances or other objections to title, other than the Permitted Encumbrances and Subsequent Title Objections (which Purchaser agrees to take title subject to) which are not waived in accordance with the provisions of Section 5.1 (collectively, "Title Objections"), which (i) were caused by, resulted from or arose out of a grant by Seller to any person or entity of a mortgage or other security interest affecting the Property, or the performance of work on behalf of Seller upon all or any portion of the Property, then Seller shall remove such Title Objections; or (ii) are not of the type described in clause (i) of this sentence, but are removable by the payment of an ascertainable sum not to exceed in the aggregate $250,000.00 (the "Maximum Amount"), then Seller shall cause such Title Objections to be removed. If Seller fails to remove any Title Objection(s) in accordance with the provisions of the immediately preceding sentence, or if there exist any Title Objection(s) which Seller is not obligated to remove pursuant to clause (ii) of the immediately preceding sentence because the payment of funds in excess of the Maximum Amount would be required to cure the same, Purchaser, nevertheless, may elect (at or prior to Closing) to consummate the transaction provided for herein subject to any such Title Objection(s) as may exist as of the Closing Date, with a credit allocated against the Cash Balance payable at the Closing equal to the sum necessary to remove such Title Objection(s), not to exceed the Maximum Amount (in the event of a Title Objection of the type described in clause (ii) of the immediately preceding sentence); provided, however, if Purchaser makes such election, Purchaser shall not be entitled to any other credit, nor shall Seller bear any further liability, with respect to any Title Objection(s) of the type described in clause (ii) of the immediately preceding sentence, but Seller shall remain fully liable for the cost of removing any Title Objection(s) of the type described in clause (i) of the immediately preceding sentence. If Purchaser shall not so elect, Purchaser may terminate this Agreement and Seller's sole liability thereafter shall be to cause the Deposit, together with any interest earned thereon while in escrow, to be refunded to Purchaser, and, upon the return of the Deposit and any such interest, this Agreement shall be terminated, and the parties hereto shall be relieved of all further obligations and liability under this Agreement, other than with respect to the provisions of this Agreement which expressly survive a termination of this Agreement.

5.3 No Further Action. Except as expressly set forth in Sections 5.1 and 5.2 hereof, nothing contained in this Agreement shall be deemed to require Seller to take or bring any action or proceeding or any other steps to remove any Title Objections, or to expend any moneys therefor, nor shall Purchaser have any right of action against Seller, at law or in equity, for Seller's inability to convey title in accordance with the terms of this Agreement.

ARTICLE 6

CLOSING COSTS

6.1. Purchaser's Obligations. Purchaser shall pay the costs of examination of title and any owner's policy of title insurance to be issued insuring Purchaser's title to the Property, as well as all other title charges, survey fees, and any and all other costs or expenses incident to the recordation of the "Deed" (as hereinafter defined).

6.2. Seller's Obligations. Seller shall pay the following amounts payable in connection with the transfer of the Deed:

(i) the amount imposed pursuant to Article 31 of the New York State Tax Law (the "Tax Law"); and

(ii) the amount due in connection with the Real Property Transfer Tax imposed by Title 11 of Chapter 21 of the Administrative Code of the City of New York.

6.3. Other Costs. All other closing costs shall be allocated to and paid by Seller and Purchaser in accordance with the manner in which such costs are customarily borne by such parties in sales of similar property in New York County, State of New York; provided, however, that each party shall bear its own attorneys' fees. Any dispute between Seller and Purchaser as to which party customarily bears any such closing cost (other than either party's own attorney's fees) may be submitted by either party for resolution to the president of the Real Estate Board of New York, Inc., whose determination shall be binding upon the parties, provided, however, that in no event shall the Closing Date be adjourned by reason of the submission of any such dispute to the Real Estate Board of New York, Inc.

ARTICLE 7

ASSIGNMENT AND ASSUMPTION OF CONTRACTS AND LEASES

At the Closing, Seller shall assign to Purchaser and Purchaser hereby agrees to assume as of the Closing, all of the Leases, Brokerage Agreements, and Service and Maintenance Agreements, by execution of the respective assignments of the same as provided for in Article 14 hereof. This Article shall survive the Closing.

ARTICLE 8

REAL ESTATE TAX PROTESTS

All real estate assessment protests and proceedings affecting the Property for the tax year in which title closes and prior years, if any, will be prosecuted under Seller's direction and control. In the event of any reduction in the assessed valuation of the Property for any such fiscal year, the net amount of any tax savings, shall (a) with respect to fiscal years ending prior to the Closing, be payable to Seller; and (b) with respect to the fiscal year in which the Closing shall occur, after deduction of expenses and attorneys' fees, be adjusted between Seller and Purchaser as of the "Adjustment Date" (as defined in Section 13.1), in each instance net of sums due to Tenants, which sums shall be paid to each Tenant entitled to same. If a reduction in the assessed value of the Property is granted for a fiscal year in or prior to the year in which title closes, and such reduction is in the form of a credit for taxes payable at or after Closing, Seller shall be entitled to receive a sum equal to such credit when granted. Purchaser shall notify Seller of the fact that Purchaser has been granted a reduction in the real estate assessment for the Property with respect to the fiscal year in which the Closing occurs within ten (10) days after the occurrence of such event. This Section shall survive the Closing.

ARTICLE 9

ACKNOWLEDGMENTS OF PURCHASER; CONDITION OF PROPERTY

9.1 Analysis and Evaluation of the Property. Before entering into this Agreement, Purchaser acknowledges that it has made its own analysis and evaluation of the Property, the operation, the income potential, profits and expenses thereof, its condition and all other matters affecting or relating to the transaction underlying this Agreement as Purchaser deemed necessary, including, without limitation, the layout, leases, square footage, rents, income, expenses and operation of the Property. In entering into this Agreement, Purchaser has not been induced by and has not relied upon any representations, warranties, statements or covenants, express or implied, made by Seller or any agent, employee or other representative of Seller, which are not expressly set forth in this Agreement.

9.2 No Effect on Purchaser's Obligations. Purchaser further acknowledges that its covenants, agreements, and obligations under this Agreement shall not be excused or modified by: (i) the business or financial condition, or any bankruptcy or insolvency of any Tenant of the Property, (ii) the physical condition of the Building or personal property, or its fitness, merchantability or suitability for any use or purpose, (iii) the leases, rents, income or expenses of the Property, (iv) the compliance or non-compliance with any laws, codes, ordinances, rules or regulations of any Governmental Authority and any violations thereof existing or subsequently imposed, (v) the environmental condition of the Property or the Property's compliance or non-compliance with any laws, codes, ordinances, rules or regulations of any Governmental Authority relating to the presence, use, storage, handling or removal of any hazardous substances, (vi) the current or future use of the Property, including, but not limited to, the Property's use for commercial, retail, industrial or other purposes, (vii) the current or future real estate tax liability, assessment or valuation of the Property, (viii) the availability or non-availability of any benefits conferred by Federal, state or municipal laws, whether for subsidiaries, special real estate tax treatment or other benefits of any kind, (ix) the availability or

unavailability of any licenses, permits, approvals or certificates which may be required in connection with the operation of the Property, (x) the compliance or non-compliance of the Property, in its current zoning or a variance with respect to the Property's non-compliance, if any, with any zoning ordinances, except as herein specifically set forth, or (xi) the conformity of the use of the Property with any certificate of occupancy.

9.3 No Other Representations. Purchaser hereby expressly acknowledges that except as expressly provided herein, neither Seller nor anyone acting for or on behalf of Seller has made any representation, warranty, or promise to Purchaser concerning any of the foregoing, nor: (a) the physical aspect and condition of any portion of the Property; (b) the feasibility or desirability of the purchase of the Property; (c) the market status, projected income from or development expenses for the Property; or (d) any other matter whatsoever with respect to the Property (except as contained herein), express or implied, including, by way of description, but not limitation, those of fitness for a particular purpose, tenantability, habitability and use; and that all matters concerning the Property have been independently verified by Purchaser. Purchaser acknowledges and agrees to take the Property "as is," in its currently existing physical condition and state of repair, subject to ordinary use, wear, tear and natural deterioration, and subject to casualty and condemnation as more particularly set forth in Article 11 hereof.

9.4 Outside Representations. Seller is not liable or bound in any manner by any verbal or written statements, representations, real estate "set-ups," offering memorandum or information pertaining to the Property or its physical condition, layout, leases, footage, rents, income, expenses, operation or any other matter or thing furnished by any agent, employee, servant, or any other person, unless specifically set forth in this Agreement. Purchaser hereby waives, to the extent permitted by law, any and all implied warranties.

9.5 Environmental Investigation of the Property. Purchaser acknowledges that it has had an opportunity to conduct its own environmental investigation of the Property and the property adjacent to the Property. Purchaser is aware of the environmental conditions affecting or related to the Property and Purchaser agrees to take the Property subject to such conditions. Purchaser agrees to assume all environmental costs and liabilities arising out of or in any way connected to the Property. Purchaser hereby releases Seller from any obligation to pay any such costs and liabilities. Purchaser agrees to indemnify and hold harmless Seller from and against any such costs and liabilities.

9.6 Confidentiality. Purchaser acknowledges that all information regarding the Property furnished (or to be furnished) to Purchaser is and has been so furnished on the following conditions:

(i) Purchaser shall use the information solely for purposes of evaluating the Property and consummating the transaction contemplated in this Agreement; and

(ii) Purchaser shall, subject to the terms of Section 9.7, use its best efforts to maintain the confidentiality of such information.

9.7 Limited Disclosure. Purchaser shall, and shall cause its directors, officers and other personnel, and its agents, employees and representatives, to hold in strict confidence and not disclose to any other party without the prior written consent of Seller, any of the information regarding the Property delivered, provided or furnished to Purchaser or any of its agents, representatives or employees. Notwithstanding anything to the contrary hereinabove set forth, Purchaser may disclose such information only: (i) on a "need-to-know" basis to its employees, members or professional firms serving it in connection with this transaction, or to any potential lenders, but Purchaser shall require such parties to hold all such information in strict confidence, and not to disclose such information to any other party (without the prior written consent of Seller); (ii) to any other party, subject to Seller's consent, which consent shall not be unreasonably withheld or delayed; and (iii) to any governmental agency if such agency requires such disclosure in order for Purchaser to comply with applicable laws or regulations.

9.8 Return of Information. In the event the Closing does not occur for any reason and this Agreement is terminated, Purchaser shall promptly return to Seller all copies of all such information without retaining any copy thereof, except such as must be retained by any professionals to whom such information was disclosed in accordance with this Article 9 in order to comply with their professional obligations. Purchaser may also disclose the terms of this Agreement to any other party approved by Seller, as long as prior to such disclosure such party agrees to be bound by the provisions of this Article 9 by an instrument reasonably acceptable to Seller in form and content.

9.9 Survival. The provisions of this Article 9 shall terminate at the Closing provided, however, that if the Closing does not occur, the provisions of this Article 9 shall survive the termination of this Agreement.

ARTICLE 10

OPERATIONS PRIOR TO CLOSING

10.1 Continued Operations . Between the date of this Agreement and the Closing, Seller shall continue to operate the Property in its usual and customary manner. Notwithstanding the provisions of the immediately preceding sentence, Seller shall not be required to expend more than $250,000.00 during the term of this Agreement ("Seller's Article 10 Amount") on repairs and replacements to the Building (including, but not limited to, materials, labor, supervision and overhead). If the cost of such repairs and replacements exceeds Seller's Article 10 Amount, Purchaser shall, at Closing, reimburse Seller for all sums actually expended by Seller in excess of Seller's Article 10 Amount. Any such amount payable to Seller shall be paid in the manner specified in Section 2.2.2 hereof. Without otherwise modifying or limiting in any respect the terms and provisions set forth in Article 3.1.4 of this Agreement, all Service and Maintenance Agreements shall be terminated by Seller, at Purchaser's request (such request to be given not less than five (5) business days prior to Closing), as early as is permissible under the applicable agreement and, if so requested by Purchaser, Seller shall execute, at no cost or expense to Seller, the appropriate notice(s) requesting such termination(s) (provided such applicable agreement is terminable). In no event shall Seller be required to terminate any Service and Maintenance Agreements which will or may impose or give rise to a claim or additional penalty charge against Seller or will cause a termination of the obligation of the contractor to provide service or maintenance prior to the Closing, and Purchaser shall indemnify and hold harmless and defend Seller with respect to any claims or cost or expense arising out of such termination. Notwithstanding the above, as to that certain agreement with City Wide Building Services Corp. listed on Schedule "E" and, also, with respect to those employees listed on Schedule "G-1" who are employed by a service contractor (as opposed to being employed by Seller), Seller will cause the termination of such service contract if terminable without claim or penalty as provided above and such employees at or before Closing so that, as of Closing, such service contract will no longer be in effect and no such employees will be employed at the Property as of Closing.

10.2 Access to the Property. Seller agrees to afford Purchaser reasonable access to the Property prior to the Closing, at reasonable times upon reasonable notice, provided that Purchaser shall not enter any portion of the Property unless accompanied by a representative of Seller. Purchaser specifically agrees that neither it, nor its employees or agents, will communicate directly with Seller's employees, Tenants or managing agent. Purchaser also agrees that Seller shall not be required to incur any cost or expense or commence any action to afford Purchaser such access.

10.3 Leases. Seller agrees that between the date hereof and the Closing, Seller shall:

10.3.1 Not, without Purchaser's prior written consent, which consent shall not be unreasonably withheld or delayed, terminate any Lease except by reason of a default by the Tenant thereunder or as required by law.

10.3.2 Not permit occupancy of, or enter into any new lease for, space in the Building which is vacant as of the date hereof, or which may hereafter become vacant, without first giving Purchaser written notice of the identity of the proposed tenant, together with a summary of the terms thereof in reasonable detail, and a statement of the amount of the brokerage commission, if any, payable in connection therewith and the terms of payment thereof. If Purchaser objects to such proposed lease, Purchaser shall so notify Seller within two (2) Business Days after the giving of Seller's notice to Purchaser, in which case Seller shall not enter into the proposed lease. Purchaser shall thereafter pay to Seller on the first day of each month between the date hereof and the Closing Date, by cashier's or bank check payable to the direct order of Seller, the rent and additional rent that would have been payable under the proposed lease from the date on which the Tenant's obligation to pay rent would have commenced if Purchaser had not so objected until the Closing Date, less (i) the amount of the brokerage commission specified in Seller's notice, (ii) the cost of tenant improvement work required to be performed by the landlord under the terms of the proposed lease to suit the premises to the tenant's occupancy, and (iii) the amount of cash work allowances required to be given by the landlord to the tenant under the terms of the proposed lease (the "Reletting Expenses"), prorated in each case over the term of the proposed lease and apportioned as of the Closing Date. If Purchaser does not so notify Seller of its objection, Seller shall have the right to enter into the proposed lease with the tenant identified in Seller's notice and Purchaser shall pay to Seller, in the manner specified in Section 2.2.2 hereof, the Reletting Expenses, to the extent actually incurred by Seller, prorated in each case over the term of the Lease and apportioned as of the later of the Closing Date or the rent commencement date. Such payment shall be made by Purchaser to Seller at Closing and if Closing does not occur for any reason other than by reason of Seller's default, then the aggregate sum that would have been payable by Purchaser shall be payable at the last scheduled Closing Date.

10.4 Tenant Estoppel Certificates. (a) Reasonably promptly after the execution of this Agreement, Seller shall send a written request to each Tenant in accordance with its Lease to furnish a tenant estoppel statement substantially in the form such Tenant is obligated to furnish to the landlord

under its Lease, or if no such form is contained or specified in a Tenant's Lease or if a Tenant's Lease provides that the Tenant shall make additional statements beyond those specifically provided for in the Lease ("Optional Statements"), then substantially in the form annexed hereto as Schedule "L-1" (a "Tenant Estoppel Statement"). Seller shall deliver to Purchaser a copy of each executed Tenant Estoppel Statement thereafter received from any Tenant after Seller's receipt of same. In no event shall Purchaser have any right to terminate this Agreement, except as otherwise expressly provided in this Section 10.4, nor shall Purchaser be entitled to a reduction of the Purchase Price nor shall Purchaser's obligations under this Agreement be otherwise affected in any manner on account of any statement or information contained in any Tenant Estoppel Statement.

(b) Seller shall be obligated to furnish to Purchaser, as a condition of Purchaser's obligation to close hereunder that Purchaser shall receive, at or before Closing, with respect to each "Required Tenant" (as such term is hereinafter defined), either (x) a Tenant Estoppel Statement, in "Acceptable Form" (as such term is hereinafter defined), or (y) to the extent that a Tenant Estoppel Statement (whether or not in Acceptable Form) is not received from a Required Tenant (or is received but is incomplete), a certificate in the form of Schedule "L-2" annexed hereto (a "Seller's Estoppel Statement") executed by Seller. A Tenant Estoppel Statement obtained by Seller from any Required Tenant shall be deemed to be in "Acceptable Form" if such Tenant Estoppel Statement is on the form required pursuant to this Section 10.4. Notwithstanding anything to the contrary contained herein, a Tenant Estoppel Statement shall not be required to contain any Optional Statements in order to be in "Acceptable Form."

(c) In the event that Seller is unable to fulfill the condition set forth in Section 10.4(b) hereof by delivery of Tenant Estoppel Statements and/or one or more Seller's Estoppel Statements, Seller shall have no liability to Purchaser on account thereof, and Purchaser's sole remedy shall be to terminate this Agreement and to receive a refund of the Deposit, together with any accrued interest thereon, and upon such termination of this Agreement neither party shall have any further obligation to the other party hereunder except for those provisions of this Agreement which expressly survive the termination of this Agreement.

(d) As used herein, the term "Required Tenants" shall mean:

(i) The Gap, Inc. under the Lease dated December 1, 1990; and

(ii) at least seventy-five (75%) percent of the Tenants whose Leases cover, individually (or when combined with other Leases for any such Tenant who occupies space in the Building pursuant to multiple Leases), more than 3,000 rentable square feet in the Building.

(e) The representations set forth in any Seller's Estoppel Statement delivered pursuant to this Section 10.4 shall survive the Closing for a period of ninety (90) days, or until such earlier date that the Required Tenant delivers to Purchaser a Tenant Estoppel Statement in Acceptable Form.

ARTICLE 11

CASUALTY AND EMINENT DOMAIN

11.1 Casualty and Risk of Loss. Between the date of this Agreement until the time of the delivery of the Deed as provided by Section 18.1.2 herein, the risk of loss or damage to the Property by fire or other casualty, is borne and assumed by Seller. Seller's assumption of the risk of loss is without any obligation or liability by Seller to repair the same, except Seller, at Seller's sole option, shall have the right to repair or replace such loss or damage to the Property. In the event any loss or damage to the Property occurs, and Seller elects to make such repair or replacement, this Agreement shall continue in full force and effect, and Seller shall be entitled to a reasonable adjournment of the Closing Date, not to exceed one hundred eighty (180) days. If Seller does not however elect to repair or replace any such loss or damage, Purchaser shall have the following options (provided, however, that if in Seller's reasonable judgment the cost of repairing any such loss or damage to the Property will not exceed $6,000,000.00, Purchaser will be deemed to have made the election set forth in Section 11.1.2 hereof):

11.1.1 Declaring this Agreement terminated, in which event the Deposit, together with any interest accrued thereon, shall be returned to Purchaser, and upon such payment, this Agreement shall be null and void and the parties hereto shall be relieved and released of and from any further liability with respect to each other, except with respect to the provisions of this Agreement which expressly survive the termination of this Agreement; or

11.1.2 Accepting (i) the Deed upon payment in full of the Purchase Price and without any abatement of the Purchase Price by reason of such loss or damage, (ii) payment of the amount of any insurance proceeds to the extent actually collected by Seller in connection with such fire or other casualty, less the amount of the actual expenses incurred by Seller in collecting such proceeds and in making repairs to the Property occasioned by such fire or other casualty, and (iii) an assignment (without warranty or recourse to Seller) of Seller's rights to any payments to be made subsequent to the Closing Date under any hazard insurance policy or policies in effect with respect to the Property. Purchaser shall not be entitled to the payment

of insurance proceeds or an assignment of Seller's right to insurance proceeds if such proceeds are in excess of the cost of repairing any loss or damage to the Property; Seller shall be entitled to the excess proceeds, if any.

If Purchaser fails to exercise its option as set forth in Section 11.1.1 within ten (10) days after notice to Purchaser of any loss or damage to the Property, Purchaser shall be deemed to have exercised the option set forth in Section 11.1.2.

11.2 Eminent Domain. If prior to the Closing all or any part of the Property is taken by condemnation or a taking in lieu thereof, the following shall apply:

11.2.1 In the event a material part of the Property is taken, Purchaser, by written notice to Seller (effective only if delivered within fifteen (15) days after Purchaser receives notice of such taking), may elect to cancel this Agreement prior to the Closing Date. In the event that Purchaser shall so elect, the Deposit, together with any interest accrued thereon, shall be returned to Purchaser, and upon such payment, this Agreement shall be null and void and the parties hereto shall be relieved and released of and from any further liability hereunder and with respect to each other, except with respect to the provisions of this Agreement which expressly survive the termination of this Agreement.

11.2.2 In the event a minor or immaterial part of the Property is taken, or in the event of a change of legal grade, neither party shall have any right to cancel this Agreement, and title shall nonetheless close in accordance with this Agreement without any abatement of the Purchase Price or any liability or obligation on the part of Seller by reason of such taking; provided, however, that Seller shall, at Closing, (i) turn over and deliver to Purchaser the amount of any award or other proceeds of such taking to the extent actually collected by Seller as a result of such taking, less the amount of the actual expenses incurred by Seller in collecting such award or other proceeds and in making repairs to the Property occasioned by such taking, and (ii) deliver to Purchaser an assignment (without warranty or recourse to Seller) of Seller's right to any such award or other proceeds which may be payable subsequent to the Closing Date as a result of such taking.

11.2.3 The term "material part," as distinguished from a "minor or immaterial part," as used herein shall mean a portion of the Property having a value (based upon an appraisal by an appraiser acceptable to Seller, subject to Purchaser's approval, which shall not be unreasonably withheld or delayed) in excess of $6,000,000.00.

11.3 Survival. This Article 11 shall survive the Closing and is intended to be an express provision to the contrary within the meaning of Section 5-1311 of the General Obligations Law.

ARTICLE 12

ASSESSMENTS

If on or after the date of this Agreement, the Property or any part thereof shall be or shall have been affected by any real estate tax assessment or assessments which are or may become payable in one or more installments, Purchaser agrees to take title to the Property (without reduction in or adjustment of the Purchase Price) subject to all unpaid installments becoming due and payable after the date hereof.

ARTICLE 13

CLOSING ADJUSTMENTS

13.1 Adjustments and Prorations. The following matters and items shall be apportioned or adjusted between the parties hereto at the closing of title to the Property pursuant to this Agreement (the "Closing"), as of 12:01 A.M. of the day of the Closing (the "Adjustment Date"). The foregoing is based upon the Seller having use of the funds constituting the cash portion of the Purchase Price on the Closing Date, and thus the income and expense for the Closing Date are for Purchaser's account. If the funds are not transferred to be available to Seller on the Closing Date, then the Adjustment Date shall be unchanged and Seller shall be entitled to a per diem addition of Ten Thousand ($10,000) Dollars.

13.1.1 Fixed Rents.

(a) Fixed rents ("Fixed Rents") paid or payable by Tenants under the Leases in connection with their occupancy shall be adjusted and prorated on an if, as and when collected basis. Any Fixed Rents collected by Purchaser or Seller after the Closing from any Tenant who owes Fixed Rents for periods prior to the Closing, shall be applied: (i) first, in payment of Fixed Rents owed by such Tenant for the calendar month in which the Closing Date occurs; (ii) second, in payment of Fixed Rents owed by such Tenant for the calendar month prior to the calendar month in which the Closing Date occurs; (iii) third, in payment of Fixed Rents owed by such Tenant for the period (if any)

after the calendar month in which the Closing Date occurs through the end of the calendar month in which such amount is collected; and (iv) fourth, after Fixed Rents for all current periods have been paid in full, in payment of Fixed Rents owed by such Tenant for the period prior to the calendar month preceding the calendar month in which the Closing Date occurs. Each such amount, less any costs of collection (including reasonable attorneys' fees) reasonably allocable thereto, shall be adjusted and prorated as provided above, and the party who receives such amount shall promptly pay over to the other party the portion thereof to which it is so entitled. In furtherance and not in limitation of the preceding sentence, with respect to any Tenant which has paid all Fixed Rents for periods through the Closing, if, prior to the Closing, Seller shall receive any prepaid Fixed Rents from a Tenant attributable to a period following the Closing, at the Closing, Seller shall pay over to Purchaser the amount of such prepaid Fixed Rents.

(b) Purchaser shall bill Tenants who owe Fixed Rents for periods prior to the Closing on a monthly basis for a period of six (6) consecutive months following the Closing Date and shall use commercially reasonable efforts to collect such past due Fixed Rents; provided, however, that
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Purchaser shall have no obligation to commence any actions or proceedings to collect any such past due Fixed Rents. Notwithstanding the foregoing, if Purchaser is unable to collect such past due Fixed Rents, Seller shall have the right, upon prior written notice to Purchaser, to pursue such Tenants to collect Fixed Rent delinquencies (including, without limitation, the prosecution of one or more lawsuits), but Seller shall not be entitled to evict (by summary proceedings or otherwise) any such Tenants. Any payment by a Tenant in an amount less than the full amount of Fixed Rents and "Overage Rent" (as such term is defined in Section 13.1.2(a)) then due and owing by such Tenant, shall be applied first to Fixed Rents (in the order of priority as to time periods as is set forth in Section 13.1.1(a) above) to the extent of all such Fixed Rents then due and owing by such Tenant, and thereafter to Overage Rent (in the order of priority as to time periods as is set forth in Section 13.1.2).

13.1.2 Overage Rent.

(a) Any of the following charges and/or rents provided for by any Lease: (i) the payment of additional rent based upon a percentage of the Tenant's business during a specified annual or other period (sometimes referred to as "percentage rent"), (ii) common area maintenance or "CAM" charges, (iii) "escalation rent" or additional rent based upon increases in real estate taxes, operating expenses, labor costs, cost of living, porter's wages, or other index including the consumer price index or otherwise, or (iv) any other items of additional rent, e.g., charges for electricity,
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water, cleaning, overtime services, sundries and/or miscellaneous charges, shall be adjusted and prorated on an if, as and when collected basis (such percentage rent, CAM charges, escalation rent and other additional rent being collectively called "Overage Rent").

(b) (i) Purchaser agrees that as to any Overage Rent for accounting periods prior to the Closing that are to be paid after the Closing, to pay the entire amount over to Seller upon receipt thereof, less any costs of collection (including reasonable attorneys' fees) reasonably allocable thereto. Purchaser agrees that it will (i) promptly render bills for any such Overage Rent, (ii) bill Tenants such Overage Rent on a monthly basis for a period of six (6) consecutive months thereafter, and (iii) use commercially reasonable efforts to collect such Overage Rent; provided,
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however, that Purchaser shall have no obligation to commence any actions or
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proceedings to collect any such Overage Rent.

(ii) Notwithstanding the foregoing, if Purchaser is unable to collect such Overage Rent, Seller shall have the right, upon prior written notice to Purchaser, to pursue Tenants to collect such delinquencies (including, without limitation, the prosecution of one or more lawsuits), but Seller shall not be entitled to evict (by summary proceedings or otherwise) any such Tenants. Seller shall furnish to Purchaser all information relating to the period prior to the Closing that is reasonably necessary for the billing of such Overage Rent, and Purchaser will deliver to Seller, concurrently with the delivery to Tenants, copies of all statements relating to Overage Rent for a period prior to the Closing. Purchaser shall bill Tenants for Overage Rent for accounting periods prior to the Closing in accordance with and on the basis of such information furnished by Seller.

(c) Overage Rent for an accounting period in which the Closing Date occurs shall be apportioned between Seller and Purchaser as of the Adjustment Date, with Seller receiving the proportion of such Overage Rent less a like portion of any costs and expenses (including reasonable attorneys' fees) incurred in the collection of such Overage Rent that the portion of such accounting period prior to the Closing Date bears to such entire accounting period, and Purchaser receiving the proportion of such Overage Rent less a like portion of any costs and expenses (including reasonable attorneys' fees) incurred in the collection of such Overage Rent that the portion of such accounting period from and after the Closing Date bears to such entire accounting period. If, prior to the Closing, Seller shall receive any installments of Overage Rent attributable to Overage Rent for periods from and after the Closing Date, such sum shall be apportioned at the Closing. If, after the Closing, Purchaser shall receive any installments of Overage Rent attributable to Overage Rent for periods prior to the Closing, such sum less any costs and expenses (including reasonable attorneys' fees) incurred by Purchaser in the collection of such Overage Rent

shall be paid by Purchaser to Seller promptly after Purchaser receives payment thereof.

(d) Any payment by a Tenant on account of Overage Rent (to the extent not applied against Fixed Rents due and owing by such Tenant in accordance with Section 13.1.1 (b) hereof) shall be applied to Overage Rent then due in the following order of priority: (i) first, in payment of Overage Rent for the accounting period in which the Closing Date occurs; (ii) second, in payment of Overage Rent for the accounting period immediately preceding the accounting period in which the Closing Date occurs; and (iii) third, in payment of Overage Rent for the accounting period immediately succeeding the accounting period in which the Closing Date occurs, and (iv) thereafter in the chronological order in which such payments are due for each such accounting period pursuant to the applicable Lease.

(e) To the extent that any portion of Overage Rent is required to be paid monthly by Tenants, on account of estimated amounts for any calendar year (or, if applicable, any Lease year or any other applicable accounting period), and at the end of such calendar year (or Lease year or other applicable accounting period, as the case may be), such estimated amounts are to be recalculated based upon the actual expenses, taxes and other relevant factors for that calendar year, Lease year or other applicable accounting period, with the appropriate adjustments being made with such Tenants, then such portion of the Overage Rent shall be prorated between Seller and Purchaser at the Closing based on such estimated payments (i.e., with Seller
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entitled to retain all monthly or other periodic installments of such amounts paid with respect to periods prior to the calendar month or other applicable installment period in which the Closing occurs; Seller to pay to Purchaser at the Closing all monthly or other periodic installments of such amounts theretofore received by Seller with respect to periods following the calendar month or other applicable installment period in which the Closing occurs, and Seller and Purchaser to apportion as of the Closing Date all monthly or other periodic installments of such amounts with respect to the calendar month or other applicable installment period in which the Closing occurs).

At the time(s) of final calculation and collection from (or refund to) each Tenant of the amounts in reconciliation of actual Overage Rent for a period for which estimated amounts paid by such Tenant have been prorated, there shall be a re-proration between Seller and Purchaser. If, with respect to any Tenant, the recalculated Overage Rent exceeds the estimated amount paid by such Tenant, (i) the entire excess shall be paid by Purchaser to Seller, if the accounting period for which such recalculation was made expired prior to the Closing, and (ii) such excess shall be apportioned between Seller and Purchaser as of the Closing Date (on the basis described in the first sentence of Section 13.1.2(c) hereof), if the Closing occurred during the accounting period for which such recalculation was made, with Purchaser paying to Seller the portion of such excess which Seller is so entitled to receive. If, with respect to any Tenant, the recalculated Overage Rent is less than the estimated amount paid by such Tenant, (1) the entire shortfall shall be paid by Seller to Purchaser (or, at Seller's option, directly to the Tenant in question), if the accounting period for which such recalculation was made expired prior to the Closing, and (2) such shortfall shall be apportioned between Seller and Purchaser as of the Closing Date (on the basis described in the first sentence of Section 13.1.2(c) hereof), if the Closing occurred during the accounting period for which such recalculation was made, with Seller paying to Purchaser (or, at Seller's option, directly to the Tenant in question) the portion of such shortfall so allocable to Seller.

(f) Until such time as all amounts required to be paid to Seller by Purchaser pursuant to Section 13.1.1 and this Section 13.1.2 are paid in full, but in no event for a period longer than twelve (12) months following the Closing, Purchaser shall furnish to Seller, not less frequently than monthly, a reasonably detailed accounting of such amounts owed by Purchaser; which accounting shall be delivered to Seller on or prior to the fifteenth day following the last day of each calendar month from and after the calendar month in which the Closing occurs. Subsequent to the Closing, Seller shall have the right from time to time, on prior written notice to Purchaser, to review Purchaser's rental records with respect to the Property during ordinary business hours on Business Days, to ascertain the accuracy of such accountings.

13.1.3 Taxes and Assessments. Real estate taxes,
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assessments, Business Improvement District charges and like charges, ad valorem taxes and personal property taxes, if any, on the basis of the fiscal year for which assessed. If the Closing shall occur before the tax rate or assessment is fixed, the apportionment of such real estate taxes and personal property taxes, if any, shall be upon the basis of the tax rate for the immediately preceding year applied to the latest assessed valuation; however, adjustment will be made upon the actual tax amount, when determined. Any discount received for early payment shall be for the benefit of Seller, and any interest or penalty assessed for late payment shall be borne by Seller. Real estate taxes shall be treated on an annualized basis even if tax payments made in installments are not equal for each installment period. Thus, for example, if the installment for the first half of a fiscal year is paid and is higher than the second half installment, the proration will be based on payment of fifty percent (50%) of the aggregate taxes for such fiscal year.

13.1.4 Deposits. Tax and utility company deposits, or deposits
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with any supplier of goods, if any, shall be paid by Purchaser to Seller (or,

at Seller's option, Seller shall obtain refunds of the deposits directly from the taxing authority or utility company, as the case may be).

13.1.5 Water and Sewer Charges. Water charges and sewer rents on the basis of the fiscal year, but if there are water meters on the Property, Seller, to the extent obtainable, shall supply to Purchaser a water meter reading current through the Adjustment Date, or if not feasible to so read, to a date not more than thirty (30) days prior to the Adjustment Date, and the unfixed meter charges based thereon for the intervening period shall be apportioned on the basis of such last meter reading. Upon the taking of a subsequent actual water meter reading, such apportionment shall be readjusted and Seller or Purchaser, as the case may be, will promptly deliver to the other the amount determined to be due upon such readjustment. If Seller is unable to furnish such prior meter reading, any reading subsequent to the Closing will be apportioned on a per diem basis from the date of such reading immediately prior thereto, and Seller shall pay the proportionate charges due up to the date of Closing. Unpaid water meter bills, frontage, sewer charges and assessments which are the obligations of Tenants in accordance with the terms of their respective Leases shall not be adjusted, nor shall the same be deemed an objection to title, and Purchaser will take title subject thereto.

13.1.6 License Fees. Amounts paid or payable with respect to assignable licenses and permits, if any, affecting the Property.

13.1.7 Service and Maintenance Charges. Amounts paid or payable with respect to the Service and Maintenance Agreements.

13.1.8 Vault Fees. Proration of vault charges or vault taxes shall be based upon the last bill received, or title company report, prorated at the last known rate to the Adjustment Date. No proration shall be made if such vault charge is the obligation of a Tenant in possession.

13.1.9 Utilities. Utility charges, including, but not limited to, electricity, gas, steam, telephone and other utilities (other than such charges which are the obligation of Tenants under their respective Leases), all prorated based upon the most current bill unless actual readings are obtained as of the Adjustment Date, in which case such actual readings shall govern, and each party shall pay the amount billed to it, respectively.

13.1.10 Inventory. The value of Building inventory and supplies (e.g., soap, cleaning powder, light bulbs, etc.) in unopened containers, if any, in accordance with an inventory prepared by Seller, shall be credited to Seller. Such value amount shall be determined based upon the cost thereof, to the extent practical.

13.1.11 Tenant Security Deposits. (a) Security deposits of Tenants (other than those which are marketable securities, letters of credit, or other non-cash items) shall be transferred, at Seller's option, either (i) by direct assignment of the bank accounts in which deposited, or (ii) by Seller retaining all rights in the bank accounts and crediting to Purchaser the amount of the security deposits to be delivered pursuant to this Agreement. In either event, there shall be maintained or credited to Seller all interest earned or accrued to the Adjustment Date, less such portion of the interest to which the respective Tenant would be entitled pursuant to its Lease or by law. No allocation shall be made of security deposits properly applied prior to the Adjustment Date, and Seller may retain such amounts. Security deposits applied after the Adjustment Date shall be applied in the order of priority set forth in paragraph (a) of Section 13.1.1 hereof. Security deposits held in the form of marketable securities shall be assigned and delivered to Purchaser at Closing, with any interest thereon through the Adjustment Date credited to Seller, less such portion to which the Tenant would be entitled. Security deposits held in the form of letters of credit shall be assigned and delivered to Purchaser at Closing; provided, however, that if the consent or authorization of the issuer of any such letter of credit is required, the failure to obtain such consent shall not constitute grounds for Purchaser or Seller to adjourn the Closing, but Seller shall cooperate with Purchaser in obtaining such consent subsequent to the Closing.

(b) If any Tenant who owes past due rent as of the Closing Date is evicted from the Building and its Lease is terminated, then promptly after such eviction and termination, such Tenant's security deposit shall be applied in the following order of priority: (i) first to the reimbursement of Purchaser's reasonable costs and expenses in obtaining such eviction and termination; (ii) then in the order of priority set forth in Section 13.1.1 hereof.

(c) At Closing Purchaser shall indemnify and hold Seller free and harmless from and against any claim made with respect to an assigned security deposit, or a security deposit as to which Purchaser has received a credit, and Purchaser shall give such notice to each Tenant with respect to a security deposit as will eliminate or reduce Seller's responsibility.

13.1.12 Fuel. Proration shall be made of fuel on the Property on the Adjustment Date, based upon a reading made by Seller's supplier as close as obtainable to the Adjustment Date (reasonably adjusted to the quantity present on the Adjustment Date). The value thereof shall be

calculated at Seller's last cost (including sales tax). If the heating, ventilation or air conditioning for the Property is provided by a measurable product (e.g. steam or gas) the adjustment will be based on meter readings prorated, if necessary, to the Adjustment Date.

13.1.13 Employee Compensation. Proration shall be made of all wages of employees engaged at the Property, together with vacation pay, social security taxes, workers' compensation, pension and other fringe benefits. Fringe benefit years shall be based upon union contract rights, if feasible, and otherwise determined as a fair allocation in Seller's judgment. Seller shall not be charged with termination pay arising by reason of Purchaser's termination of any employees, or failure to hire any employees at or subsequent to the Closing, and Purchaser shall be fully liable for any such termination pay. If employees engaged at the Building are in the employ of an agent, then such adjustment or proration shall be made as appropriate with the agent to reach the same economic result as if in the direct employ of Seller. Compliance with the WARN act shall be Purchaser's responsibility.

13.1.14 Tenant Improvement Work at Landlord's Cost. With respect to tenant improvement work performed or to be performed to leased space to be paid at the landlord's cost pursuant to any Lease, (i) Purchaser shall receive a credit against the Cash Balance at Closing for the cost of the performance of any tenant improvement work required to be performed pursuant to Leases executed (or renewal, extension or additional space rights or options exercised) prior to December 1, 1997 (the "Leasing Cutoff Date"), and (ii) Purchaser shall be obligated to pay, as and when due, for the cost of the performance of any tenant improvement work required to be performed pursuant to Leases entered into (or renewal, extension or additional space rights or options exercised) on or after the Leasing Cutoff Date, and the Cash Balance shall be increased by any sums expended by Seller prior to closing for obligations referred to in this clause (ii).

13.1.15 Costs of Work to be Paid or Reimbursed to Tenants. With respect to the cost of work performed or to be performed at the Property attributable to leased space to be either paid or reimbursed to Tenants by the landlord pursuant to any Lease, (i) Purchaser shall receive a credit against the Cash Balance at Closing to the extent such payment or reimbursement is required pursuant to a Lease executed (or renewal, extension or additional space rights or options exercised) prior to the Leasing Cutoff Date, and (ii) Purchaser shall be obligated to pay or reimburse any such Tenant, as and when due, to the extent such payment or reimbursement is required pursuant to a Lease entered into (or renewal, extension or additional space rights or options exercised) on or after the Leasing Cutoff Date, and the Cash Balance shall be increased by any sum expended by Seller prior to Closing for obligations referred to in this clause (ii).

13.1.16 Leasing Commissions. Brokerage and leasing commissions incurred in connection with the leasing of space at the Property shall be prorated so that such commissions owed with respect to Leases executed prior to the Leasing Cutoff Date shall be paid by Seller, and on or after the Leasing Cutoff Date shall be paid, as and when due, by Purchaser. No adjustment shall be made with respect to leasing or brokerage commissions payable on or after the Closing Date as a consequence of an event occurring after the Closing. Thus, proration of leasing commissions shall be made if the leasing to which the leasing commission is attributable was made prior to the Leasing Cutoff Date borne by Seller and if after the Leasing Cutoff Date borne by Purchaser. If as of the Closing the leasing commission is an obligation of Seller if an event occurs, (e.g. renewal, expansion, etc.) and thereafter the event does occur then the leasing commission if earned is to be borne by Purchaser and Purchaser shall indemnify and hold Seller free and harmless from and against any liability for leasing brokerage payable by Purchaser.

13.1.17 Insurance Premiums. No existing insurance policy shall be assigned to Purchaser, and no adjustment of any insurance premiums shall be made.

13.1.18 Intentionally Omitted.

13.1.19 Other Adjustments. (a) Rents due pursuant to Section 10.3.2 hereof.

(b) Reletting Expenses pursuant to Section 10.3.2 hereof.

13.1.20 Survival. The provisions of this Section 13.1 shall survive the Closing.

13.2 Determination of Closing Adjustments. The parties hereto agree to make a good faith effort to determine the adjustments and prorations to be made at Closing, pursuant to this Article, at least three (3) Business Days prior to the Closing Date.

13.3 Net Apportionments and Adjustments.

13.3.1 Due Seller. In the event the net apportionments and

adjustments as provided in Section 13.1 result in a payment due Seller, then such payment shall be made at Closing in the manner set forth in Section 2.2.2. In the event that despite Purchaser's good faith efforts, the parties hereto are unable to determine the amount of the adjustments to be paid to Seller at Closing, if any, on or before the date which is three (3) Business Days prior to the Closing Date, such amount may be paid by Purchaser to Seller at the Closing by cashier's or bank check, or by a certified check of Purchaser drawn upon a bank which is a member of The New York Clearing House Association (or any successor organization thereto), made payable to Seller's direct order.

13.3.2 Due Purchaser. In the event the net apportionments and adjustments as provided in Section 13.1 result in a payment due Purchaser, then such payment shall be made at Closing by way of a credit against the Cash Balance.

13.4 Other. Except as otherwise provided in this Agreement, the customs regarding title closings, as recommended by The Real Estate Board of New York, Inc., shall apply to all apportionments.

ARTICLE 14

CLOSING DOCUMENTS; OBLIGATIONS OF PURCHASER AND SELLER AT CLOSING

14.1 Seller's Obligations at Closing. On the Closing Date, Seller shall deliver or cause to be delivered to Purchaser the following:

14.1.1 A Bargain and Sale Deed without Covenant against Grantor's Acts containing the covenant required by Section 13 of the Lien Law in proper form for recording (the "Deed"), in the form annexed hereto as Exhibit 1.

14.1.2 A Bill of Sale in the form annexed hereto as Exhibit 2.

14.1.3 A letter to each Tenant advising them of the change of ownership of the Property in accordance with General Obligations Law Section 7-105, in the form of Exhibit 9 annexed hereto (the "Tenant Notice Letters"), and Purchaser agrees to deliver the Tenant Notice Letter to each Tenant promptly after the Closing. Purchaser hereby indemnifies and holds Seller harmless from and against all loss, cost and expense incurred by Seller as a result of Purchaser's failure to so deliver the Tenant Notice Letter to each Tenant promptly after the Closing, and this sentence shall survive the Closing.

14.1.4 An Assignment and Assumption of Service, Maintenance and Concessionaire Agreements, in the form annexed hereto as Exhibit 3.

14.1.5 An Assignment and Assumption of Landlord's Interest in Leases, in the form annexed hereto as Exhibit 4.

14.1.6 All current records within Seller's possession reasonably required for the continued operation of the Property, including but not limited to, service contracts, plans, surveys, Leases, lease files, licenses, permits, warranties, guaranties, insurance policies assigned to Purchaser at Closing, records of current expenditures for repairs and maintenance, and the certificate of occupancy.

14.1.7 An Assignment of Licenses and/or Permits, in the form annexed hereto as Exhibit 5.

14.1.8 An Assignment of Warranties and Guarantees, in the form annexed hereto as Exhibit 6.

14.1.9 An Assignment and Assumption of the Brokerage Agreements in the form annexed hereto as Exhibit 10.

14.1.10 All keys and combinations to locks at the Property which are in Seller's possession.

14.1.11 A duly executed letter agreement by which Seller and Purchaser agree to correct any errors in prorations as soon after the Closing as amounts are finally determined, in the form annexed hereto as Exhibit 7 (the "Post-Closing Adjustment Letter").

14.1.12 Evidence reasonably acceptable to Purchaser and the Title Company authorizing the consummation by Seller of the transaction contemplated by this Agreement, and the execution and delivery of documents on behalf of Seller.

14.1.13 The certificate with respect to FIRPTA compliance in the form of Exhibit 8 annexed hereto.

14.1.14 The New York City Department of Finance Real Property Transfer Tax Return (the "RPT Return") and the New York State Combined Real Estate Transfer Tax Return and Credit Line Mortgage Certificate (the "Form TP-584").

14.1.15 The Tenant Estoppel Statements required pursuant to

Section 10.4 hereof (and/or Seller's Estoppel Statements in lieu of one or more such required Tenant Estoppel Statements).

14.2 Purchaser's Obligations at Closing. Purchaser shall deliver or cause to be delivered to Seller on the Closing Date the following:

14.2.1 The Cash Balance.

14.2.2 Duplicate originals of the Assignment and Assumption of Landlord's Interest in Leases, the Assignment and Assumption of Service, Maintenance and Concessionaire Agreements, the Assignment and Assumption of Brokerage Agreements, the Post-Closing Adjustment Letter, the RPT Return, Form TP-584 and the Tenant Notice Letters, duly executed by Purchaser.

14.2.3 Evidence reasonably acceptable to Seller and the Title Company authorizing the consummation by Purchaser of the transaction which is the subject of this Agreement, and the execution and delivery of documents on behalf of Purchaser.

14.2.4 Such other documents as may be reasonably and customarily required by the Title Company to consummate the transaction contemplated by this Agreement.

ARTICLE 15

VIOLATIONS

Without limiting the generality of the provisions of this Article 15, Purchaser agrees to purchase the Property subject to any and all notes or notices of violations of law, or municipal ordinances, orders or requirements whatsoever noted in or issued by any federal, state, municipal or other governmental department, agency or bureau, or any other Governmental Authority having jurisdiction over the Property (collectively, "Violations"), or any lien imposed in connection with any of the foregoing, or any condition or state of repair or disrepair or other matter or thing, whether or not noted, which, if noted, would result in a violation being placed on the Property. Seller shall have no duty to remove or comply with or repair or disrepair any condition, matter or thing, whether or not noted, which, if noted, would result in a violation being placed on the Property. Seller shall have no duty to remove or comply with or repair any of the aforementioned Violations, liens or other conditions, and Purchaser shall accept the Property subject to all such Violations and liens, the existence of any conditions at the Property which would give rise to such Violations or liens, if any, and any governmental claims arising from the existence of such Violations and liens, in each case without any abatement of or credit against the Purchase Price.

ARTICLE 16

SALES TAX

Although it is not anticipated that any sales tax shall be due and payable, Purchaser agrees that Purchaser shall pay any sales tax assessed in connection with the sale of the Property to Purchaser and save, defend, indemnify and hold Seller harmless from and against any and all liability for any sales tax which may now or hereafter be imposed upon Seller or the Property with respect to the sale of any personal property. The parties hereto agree that no part of the Purchase Price is attributable to personal property. The provisions of this Section shall survive the Closing.

ARTICLE 17

UNPAID TAXES

17.1 The amount of any unpaid real estate taxes, assessments, water charges and sewer rents other than items subject to proration as heretofore provided, which Seller is obligated to pay and discharge may, at the option of Seller, be allowed to Purchaser out of the Cash Balance, provided that official bills therefor with interest and penalties thereon calculated to said date are furnished by Seller at the Closing.

17.2 Seller may use any portion of the Cash Balance to satisfy any liens or encumbrances which exist on the Closing Date which are not Permitted Encumbrances, provided that Seller delivers to Purchaser at Closing instruments in recordable form sufficient to satisfy such liens and encumbrances of record, together with the cost of recording or filing said instruments, or pay such sums or perform such acts as will enable the Title Company to insure Purchaser that such lien(s) will not be collected out of the Property, or deposit with Purchaser's attorneys reasonably sufficient funds to enable Purchaser's attorneys to obtain and record such instruments.

17.3 The existence of (i) any taxes, assessments, water charges, or sewer rents referred to in Section 17.1, or (ii) any other liens or encumbrances, shall not be deemed Title Objections if Seller elects to proceed pursuant to the provisions of Section 17.2, provided that Seller complies with the requirements set forth in Sections 17.1 and 17.2 hereof.

17.4 If Seller requests within a reasonable time prior to the Closing Date, Purchaser agrees to provide at the Closing separate certified checks or

official cashier's checks, which in the aggregate equal the amount of the Cash Balance, in order to facilitate the satisfaction of any unpaid (and due) real estate taxes, assessments, water charges or sewer rents, liens and/or encumbrances referred to in Section 17.1, and, if Seller elects to proceed pursuant to the provisions of Section 17.2, the payment of any liens and encumbrances referred to therein.

ARTICLE 18

THE CLOSING

18.1 The Closing. The sale and purchase of the Property contemplated by the terms and conditions of this Agreement shall be consummated at the Closing.

18.1.1 Location and Date of Closing. Subject to the satisfaction of the terms and conditions herein set forth, the Closing shall take place at the offices of Seller's attorneys, Bachner, Tally, Polevoy & Misher LLP, 380 Madison Avenue, New York, New York at 10:00 A.M., on March 18, 1998 (the "Closing Date").

18.1.2 Delivery of Documents. At the Closing, the Deed shall be delivered to the Purchaser upon Seller's receipt of the payments provided for in Article 2, and the delivery of the documents referred to in Section 14.2.

18.2 Time of Essence. Time shall be of the essence as to Purchaser's obligations to close the purchase of the Property, pursuant to this Agreement, on the Closing Date. For purposes of this Agreement, the term "Business Day" shall mean all days except Saturdays, Sundays, and all days observed by the Federal Government or New York State as legal holidays.

ARTICLE 19

NOTICES

Except as otherwise provided in this Agreement, any and all notices, elections, demands, requests and responses permitted or required to be given pursuant to this Agreement shall be in writing, signed by the party giving the same or by its attorneys, and shall be deemed to have been duly given and effective upon being: (i) personally delivered with receipt for delivery; or (ii) deposited with a nationally recognized express overnight delivery service (e.g., Federal Express) for next Business Day delivery with receipt for delivery; or (iii) deposited in the United States mail, postage prepaid, certified with return receipt requested, to the other party at the address of such other party set forth below, or at such other address within the continental United States as may be designated by a notice of change of address and given in accordance herewith. The time period in which a response to any such notice, election, demand or request must be given shall commence on the date of receipt thereof. Personal delivery to a party or to any officer, partner, agent or employee of such party at said address shall be deemed given and received at the time delivered. Rejection or other refusal to accept, or inability to deliver because of changed address of which no notice has been received, shall also constitute receipt. Any such notice, election, demand, request or response shall be addressed to the respective parties as follows:

(i) if to Seller, to:

1466 Broadway Associates
c/o Helmsley Enterprises, Inc.
230 Park Avenue
New York, New York 10169
Attention: Harold A. Meriam, III, Esq.

with a copy to:

Bachner, Tally, Polevoy & Misher LLP
380 Madison Avenue
New York, New York 10017-2513
Attention: Martin D. Polevoy, Esq.

(ii) if to Purchaser, to:

Benjamin P. Feldman, Esq.
SL Green Realty Corp.
70 West 36th Street
New York, New York 10018

with a copy to:

Richard A. Rosenbaum, Esq.
Greenberg, Traurig, Hoffman, Lipoff, Rosen & Quentel
153 East 53rd Street, 35th Floor
New York, New York 10022

ARTICLE 20

DEFAULT

20.1 Purchaser's Default. If Purchaser fails to accept title and pay the Cash Balance in accordance with this Agreement, the Deposit, together with all interest accrued thereon, if any, shall be retained by Seller as liquidated damages and as Seller's sole and exclusive remedy for Purchaser's default, except as provided in the last sentence of this Section 20.1 as to post-closing defaults by Purchaser only. The provisions herein contained for liquidated and agreed upon damages are bona fide provisions for such and are not a penalty, the parties agreeing that by reason of Seller binding itself to the sale of the Property and by reason of the withdrawal of the Property from sale at a time when other parties would be interested in acquiring the Property, that Seller will sustain damages if Purchaser defaults, which damages will be substantial but will not be capable of determination with mathematical precision, and therefore, as aforesaid, this provision for liquidated and agreed upon damages has been incorporated in this Agreement as a provision beneficial to both parties. Notwithstanding the foregoing provisions of this Section, there shall be no limitation on Purchaser's liabilities or Seller's remedies with respect to any indemnities made by Purchaser that are specifically stated herein to survive the termination of this Agreement.

20.2 Seller's Default. Reference is hereby made to Sections 21.1 and 21.2 hereof for Purchaser's exclusive remedies in the event of a breach of representation or failure to perform any agreement set forth in this Agreement on the part of Seller. If Seller shall default in the performance of its obligations hereunder, whether or not Purchaser shall have elected to accept title in accordance with the provisions of Section 5.2 hereof, then Purchaser's sole remedy shall be either to (i) terminate this Agreement and receive a refund of the Deposit together with any interest accrued thereon, or (ii) bring an action for specific performance of Seller's obligations under this Agreement, provided, however, that if Purchaser shall not have commenced such action within a period of thirty (30) days following the date scheduled for Closing hereunder, Purchaser shall be deemed to have waived its right to proceed under this clause (ii) and shall be deemed instead to have elected the remedy provided for in clause (i) of this sentence.

ARTICLE 21

CONDITIONS; SURVIVAL

21.1 Conditions. (a) If Purchaser has actual knowledge, or should have actual knowledge by inspection of the Property or of the public records at or before the Closing, that (i) any representation of Seller hereunder is untrue, as of the date represented, or (ii) Seller has failed to perform, observe or comply with any covenant, agreement or condition to be performed hereunder, Purchaser shall notify Seller of such within five (5) days after discovery by Purchaser. Purchaser's failure to so notify Seller shall be deemed to constitute Purchaser's waiver of same as a condition to Closing and otherwise.

(b) In the event that (A) any of Seller's representations made in Section 3.1 are not true as of the date of this Agreement (and for the purposes hereof a representation shall be untrue only if factually untrue and having a material adverse business or legal impact on Purchaser), and (B) Purchaser has actual knowledge, or should have actual knowledge by inspection of the Property or of the public records at or before the Closing that any of Seller's representations referred to in clause (A) of this sentence are untrue, then Purchaser may, as its sole remedy (whether at law or in equity), all other claims for damages or specific performances being hereby expressly waived by Purchaser, elect to terminate this Agreement, and the sole liability of Seller shall be to return to Purchaser the Deposit, together with any interest accrued thereon, and thereupon, this Agreement shall be null and void and the parties hereto shall be relieved of all further obligations and liability under this Agreement, other than with respect to those obligations and liabilities which expressly survive the termination of this Agreement.

21.2 Survival. Except as specifically set forth to the contrary in this Agreement, none of the representations, warranties, covenants, indemnities, agreements, obligations or commitments made by Seller in this Agreement shall survive the Closing, the same being merged in the conveyance. If survival is herein provided and no time specified, such matter or matters shall be the basis for a claim against Seller only if asserted in writing within six (6) months after the Closing Date.

ARTICLE 22

SUCCESSORS AND ASSIGNS

22.1 Assignment. Neither this Agreement nor any of the rights of Purchaser hereunder (nor the benefits of such rights) may be assigned, transferred or encumbered without Seller's prior written consent, which consent may be granted or denied in Seller's sole and absolute discretion, and any purported assignment, transfer or encumbrance without Seller's prior written consent shall be void. Purchaser expressly covenants and agrees that:

(a) if Purchaser is a corporation, a sale or transfer (or the

granting of an option, put or call right with respect to a transfer) of more than one percent (1%) (at any one time or, in the aggregate, from time to time) of the shares of any class of the issued and outstanding stock of Purchaser, its successors or assigns, or the issuance of additional shares of any class of its stock to the extent of more than one percent (1%) (at any one time or, in the aggregate, from time to time) of the number of shares of said class of stock issued and outstanding on the date hereof, or

(b) if Purchaser is a partnership, joint venture or limited liability company, a sale or transfer (or the granting of an option, put or call right with respect to a transfer) of more than one percent (1%) (at any one time or, in the aggregate, from time to time) of the partnership, joint venture, membership or other unincorporated association interests of Purchaser, its successors or assigns, or the issuance of additional partnership, joint venture or member interests of any class to the extent of more than one percent (1%) (at any one time or, in the aggregate, from time to time) of the amount of partnership, joint venture or member interests issued on the date hereof, shall, in any such case, constitute an assignment of this Agreement. Unless, in each instance, the prior written consent of Seller has been obtained, any such assignment shall constitute a material default under this Agreement and shall entitle Seller to exercise all rights and remedies under this Agreement, at law or equity, in the case of such a default.

Notwithstanding anything to the contrary set forth above or elsewhere in this Agreement, Purchaser shall have the right (subject to the provisions of the next sentence), in Purchaser's sole discretion (and without the need or any requirement for obtaining Seller's consent), to assign at Closing its rights under this Agreement to any single purpose entity whose beneficial interest is wholly owned by SL Green Operating Partnership, L.P.. Notwithstanding the provisions of the immediately preceding sentence, in the event Purchaser intends to make such an assignment, no such assignment shall be effective hereunder unless Purchaser notifies Seller of the fact that such assignment has been or will be made not more than ten (10) days after execution and delivery by Purchaser of this Agreement. In no event shall Seller be required to modify any instruments from a party other than Seller (as for example a lessor consent) to accommodate such assignment.

ARTICLE 23

BROKERS

23.1 Purchaser's Representation. Purchaser represents and warrants to Seller that it has not dealt with any broker, finder or consultant other than Eastdil Realty Company, LLC (the "Broker"), in connection with the transaction which is the subject of this Agreement, and that all negotiations involving Purchaser with respect to the terms of this Agreement were conducted by or through Broker. Purchaser further represents and warrants that in the event any claim is made for a broker's, finder's or consultant's commission or fee by anyone other than Broker as a result of any acts or actions of Purchaser or its representatives with respect to the within transaction, Purchaser, its heirs, successors and assigns do hereby agree to indemnify and hold Seller harmless from any and all loss, liability, cost, damage or expense with respect to such claims (including, without limitation, reasonable attorneys' fees and disbursements) without any charge or cost to Seller. Seller shall pay the brokerage commission to Broker in accordance with Seller's agreement with Broker if and when title passes hereunder. This Section shall survive the Closing or earlier termination of this Agreement.

ARTICLE 24

ESCROW

The parties hereto have mutually requested that Bachner, Tally, Polevoy & Misher LLP act as escrow agent (the "Escrow Agent") for the purpose of holding the Deposit in accordance with the terms of this Agreement and the Escrow Letter executed by and among Seller, Purchaser and Escrow Agent contemporaneously with the execution of this Agreement in the form of Exhibit 11 annexed hereto (the "Escrow Letter"). Purchaser recognizes that Escrow Agent represents Seller herein and has agreed to act as Escrow Agent as an accommodation to both parties hereto. Purchaser further acknowledges and agrees that in the event of any dispute between the parties to this Agreement or the Escrow Letter, Escrow Agent shall be free to continue its representation of Seller with regard to these matters. The Deposit, together with the interest accrued thereon, if any, shall be held by Escrow Agent until the earlier of the Closing, or such time as Seller or Purchaser may be entitled to a refund thereof in accordance with this Agreement. At such time Escrow Agent shall remit said sum, together with any interest actually accrued thereon, to the party entitled thereto in accordance with this Agreement. At the Closing, the Deposit, together with any interest actually accrued thereon, shall be paid to Seller. Escrow Agent shall have no liability to Seller or Purchaser with respect to the amount of interest earned on the Deposit while in escrow.

ARTICLE 25

MISCELLANEOUS

25.1 Merger. This Agreement constitutes the entire understanding between the parties with respect to the transaction contemplated herein, and all prior or contemporaneous oral agreements, understandings, representations and statements, and all prior written agreements, understandings, representations and statements are merged into this Agreement. Neither this Agreement nor any provisions hereof may be modified, amended, discharged or terminated except by an instrument in writing signed by the party against which the enforcement of such modification, amendment, discharge or termination is sought, and then only to the extent set forth in such instrument. Unless otherwise provided herein, no provision of this Agreement may be waived except by an instrument in writing signed by the party against which the enforcement of such waiver is sought.

25.2 Headings. The Article, Section, Schedule and Exhibit headings used herein are for convenience only, and are not to be used in determining the meaning of this Agreement or any part hereof.

25.3 Governing Law. This Agreement and its interpretation and enforcement shall be governed by the laws of the State of New York without regard to conflict of law principles.

25.4 Jurisdiction. For the purposes of any suit, action or proceeding involving this Agreement, Seller and Purchaser hereby expressly submit to the jurisdiction of all federal and state courts sitting in the State of New York, and consent that any order, process, notice of motion or other application to or by any such court, or a judge thereof, may be served within or without such court's jurisdiction by registered mail or by personal service, provided that a reasonable time for appearance is allowed, and Seller and Purchaser agree that such courts shall have the exclusive jurisdiction over any such suit, action or proceeding commenced by either or both of said parties. In furtherance of such agreement, Seller and Purchaser agree upon the request of the other party to discontinue (or agree to the discontinuance of) any such suit, action or proceeding pending in any other jurisdiction.

25.5 Waiver of Venue and Inconvenient Forum Claims. Seller and Purchaser hereby irrevocably waive any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement brought in any federal or state court sitting in the State of New York, and hereby further irrevocably waive any claim that any such suit, action or proceeding is brought in any inconvenient forum.

25.6 Waiver of Jury Trial. Each of the parties hereto waives, irrevocably and unconditionally, any and all right to trial by jury in any action brought on, under, or by virtue of, or relating in any way to this Agreement or the transactions contemplated hereby, or any of the documents executed in connection herewith, the Property, or any claims, defenses, rights of set-off or other actions pertaining hereto or to any of the foregoing.

25.7 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the parties hereto.

25.8 Invalid Provisions. If any term or provision of this Agreement, or any part of any term or provision, or the application thereof to any person or circumstance shall to any extent be held invalid or unenforceable, the remainder of this Agreement or the application of such term or provision or remainder thereof to persons or circumstances other than those as to which it is held invalid and unenforceable shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

25.9 Schedules and Exhibits. All Schedules and Exhibits which are annexed to this Agreement are a part of this Agreement and are incorporated herein by reference.

25.10 No Other Parties. The provisions of this Agreement are for the sole benefit of the parties to this Agreement and their successors and permitted assigns, and shall not give rise to any rights by or on behalf of anyone other than such parties, and no party is intended to be a third party beneficiary hereof. No provisions of this Agreement, or of any of the documents and instruments executed in connection herewith, shall be construed as creating in any person or entity other than Purchaser and Seller and their permitted assigns any rights of any nature whatsoever.

25.11 Interpretation. This Agreement shall be construed without regard to any presumption or other rule requiring construction against the party causing this Agreement to be drafted.

25.12 Counterparts; Faxed Signatures. This Agreement may be executed in multiple counterparts, each of which shall, when executed, be deemed to be an original, and all of which when taken together shall constitute but one agreement. Each party may rely upon a faxed counterpart

of this Agreement executed and delivered by the other party as if such counterpart were an original counterpart.

25.13 Binding Effect. This Agreement shall not become a binding obligation upon Seller until the same has been fully executed by Purchaser and Seller, and until a fully executed original counterpart thereof has been delivered by Seller to Purchaser.

25.14 Recordation. Neither this Agreement, nor any other document related hereto, nor any memorandum thereof shall be recorded, and any such recording shall be void and of no force or effect.

25.15 Litigation Fees. In the event that any litigation arises under this Agreement, the prevailing party (which term shall mean the party which obtains substantially all of the relief sought by such party) shall be entitled to recover, as a part of its judgment, reasonable attorneys' fees.

25.16 Title Omissions. Any and all of the title matters which Purchaser shall take title to the Property subject to, as specified in this Agreement, may be omitted by Seller in the Deed to be delivered to Purchaser at the Closing, provided, however, that all such provisions so omitted shall not be in violation of any covenants contained in the Deed.

25.17 Defined Terms. The references to defined terms used in this Agreement are listed in the Section of this Agreement entitled "Defined Terms."

25.18 Singular/Plural. The use of the singular shall be deemed to include the plural, and vice versa, whenever the context so requires.

ARTICLE 26

AFFILIATED PURCHASE AGREEMENT

26.1 Affiliate Purchaser. Purchaser or an Affiliate of Purchaser (as hereinafter defined) is concurrently entering into agreements to purchase one or more properties from Seller or an Affiliate of Seller (as hereinafter defined). As used herein, the term "Affiliate of Purchaser" shall mean any entity or person under the control of, controlled by or under common control with Purchaser. As used herein, the term "Affiliate of Seller" shall mean any entity or person under the control of, controlled by or under common control with Seller.

26.2 Affiliate Properties. The properties that Purchaser or an Affiliate of Purchaser and Seller or an Affiliate of Seller have entered into agreements to sell are:

(i) 25 West 43rd Street, New York, N.Y. or a leasehold estate therein; and

(ii) 420 Lexington Avenue, New York, N.Y. or a leasehold estate therein (collectively "Affiliate Properties").

26.3 Rights on Purchaser Default. If Purchaser or an Affiliate of Purchaser has entered into an agreement of sale and purchase with Seller or an Affiliate of Seller pursuant to which Purchaser or an Affiliate of Purchaser has agreed to purchase one or more Affiliate Properties (an "Affiliate Contract"), and if Purchaser or Affiliate of Purchaser shall default under the Affiliate Contract, or if for any other reason (other than Seller or Affiliate of Seller's default) Purchaser or Affiliate of Purchaser fails to acquire the property to be conveyed thereunder pursuant to the terms thereof, or in the event Purchaser defaults under the Affiliate Contract or otherwise is responsible without just cause for a delay of the Closing under the Affiliate Contract, then and in such event Seller, shall have the following rights, which it may exercise in its sole and absolute discretion without prior notice, at any time up to and including the completion of the Closing (under this Agreement):

26.3.1 Seller may elect to terminate this Agreement (i) with the same effect as if it were terminated for Purchaser's default hereunder if the reason for Purchaser's failure to close under the Affiliate Contract is Purchaser's or Affiliate of Purchaser's default thereunder, or (ii) with the same effect as if it were terminated pursuant to Section 11.1.1 hereof, if the reason for Purchaser's or Affiliate of Purchaser's failure to close under the Affiliate Contract is other than Purchaser's Default thereunder; or

26.3.2 In the event Seller does not elect to terminate this Agreement pursuant to subsection 26.3.1, or if Purchaser defaults under the Affiliate Contract or otherwise is responsible without just cause for a delay of the closing under the Affiliate Contract, Seller may elect to adjourn the Closing hereunder to

a date which will be concurrent with any date to which the closing under the Affiliate Contract may have been adjourned so as to coordinate both closings; or

26.3.3 Seller may elect to proceed with the Closing (hereunder), notwithstanding that the closing under the Affiliate Contract has not occurred or may not thereafter occur.

26.4 From the date hereof and continuing through the period which is six (6) months following the Closing, Seller shall make available to Ernst & Young (as agent for Purchaser) all of the books and records with respect to the operation of the Property with respect to calendar year 1997 and that portion of calendar year 1998 preceding any such investigation or audit during normal business hours. During such period, Ernst & Young, at Purchaser's sole cost and expense, may inspect and audit such books and records with respect to calendar year 1997 (and portion of 1998) and, in this regard, Seller shall cooperate (at no cost to Seller) with Purchaser in Purchaser's inspection and audit.

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

1466 BROADWAY ASSOCIATES,
a New York general partnership

By: /s/ Leona M. Helmsley

Leona M. Helmsley, Individually and as
Executrix of Estate of Harry B. Helmsley

SL GREEN OPERATING PARTNERSHIP, L.P.,
a Delaware limited partnership

By: SL GREEN REALTY CORP.,
a Maryland corporation, its general partner

By: /s/ Benjamin P. Feldman

Name:
Title:

EXHIBIT 1

Deed

NYBTU FORM 8001

BARGAIN AND SALE DEED WITHOUT COVENANT AGAINST GRANTOR'S ACTS

THIS INDENTURE, made the _____ day of _____, nineteen hundred and ____
BETWEEN _____, a _____,

having an address at _____

party of the first part, and

_____, a _____, having an address at _____
party of the second part,

WITNESSETH, that the party of the first part, in consideration of ten dollars and other valuable consideration paid by the party of the second part, does hereby grant and release unto the party of the second part, the heirs or successors and assigns of the party of the second part forever,

ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the _____ and more particularly described on Exhibit A attached hereto and hereby made a part hereof.

TOGETHER with all right, title and interest, if any, of the party of the first part in and to any streets and roads abutting the above described premises to the center lines thereof; TOGETHER with the appurtenances and all the estate and rights of the party of the first part in and to said premises; TO HAVE AND TO HOLD the premises herein granted unto the party of the second part, the heirs or successors and assigns of the party of the second part forever.

AND the party of the first part, in compliance with Section 13 of the Lien Law, covenants that the party of the first part will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund to be applied first for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the total of the same for any other purpose. The word "party" shall be construed as if it read "parties" whenever the sense of this indenture so requires.

IN WITNESS WHEREOF, the party of the first part has duly executed this deed the day and year first above written.

IN PRESENCE OF: (SELLER)

_____ _____

- ---

STATE OF NEW YORK, COUNTY OF _____ SS:

On the ____ day of _____, 19__, before me personally came _____, to me known to be the individual described in and who executed the foregoing instrument, and acknowledged that he executed the same.

_____
Notary Public

STATE OF NEW YORK, COUNTY OF _____ SS:

On the ____ day of _____, 19__, before me personally came _____, to me known, who, being by me duly sworn, did depose and say that he (resides at No./maintains an office at) _____; that _he is the _____ of _____, the corporation described in and which executed the foregoing instrument(; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the board of directors of said corporation), and that he signed his name thereto by like order (of the board of directors of said corporation).

_____
Notary Public

BARGAIN AND SALE DEED

WITHOUT COVENANT AGAINST GRANTOR'S ACTS

TITLE NO.

_____

TO

_____

SECTION
BLOCK
LOT
COUNTY OR TOWN

RETURN BY MAIL TO:

_____

_____

_____

EXHIBIT A

LEGAL DESCRIPTION

EXHIBIT 2

Bill of Sale

KNOW ALL MEN BY THESE PRESENTS that 1466 BROADWAY ASSOCIATES, having an office c/o Helmsley Enterprises, Inc., 230 Park Avenue, New York, New York 10169 ("Seller") for and in consideration of the sum of Ten Dollars ($10.00) and other good and valuable consideration to it in hand paid, at or before the unsealing and delivery of these presents by _____, having an office at _____ ("Purchaser"), the receipt and sufficiency whereof are hereby acknowledged, has transferred and conveyed and by these presents does quitclaim, release, transfer and convey unto Purchaser, its successors and assigns, all fixtures, machinery and equipment to the extent same constitute personal property, and all other personal property (collectively, the "Personal Property") owned by Seller, attached or appurtenant to, or used in connection with the occupancy and operation of those certain premises known as 1466 Broadway a/k/a 152 West 42nd Street, New York, New York (the "Premises").

TO HAVE AND TO HOLD, the same unto Purchaser, its successors and assigns, forever.

This transfer is made as part of the transfer of the Premises by Seller to Purchaser as of the date hereof, and both parties agree and acknowledge that no part of the consideration therefor is allocated to the Personal Property.

This transfer is made without representation, warranty or guaranty by, or recourse against, Seller of any kind whatsoever.

Neither Seller nor any agent or representative of Seller has made, and Seller is not liable or bound in any manner by, any express or implied warranties, guaranties, inducements, representations or information pertaining to the Personal Property or any part thereof, the physical condition, the uses which can be made of the same or any other matter or thing with respect thereto and the Personal Property is being transferred "as is".

IN WITNESS WHEREOF, Seller has signed this instrument as of this _____ day of _____, 199__.

1466 BROADWAY ASSOCIATES

By:_____
Name:
Title:

EXHIBIT 3

Assignment and Assumption of Service, Maintenance and Concessionaire Agreements

KNOW ALL MEN BY THESE PRESENTS, that 1466 BROADWAY ASSOCIATES, having an office c/o Helmsley Enterprises, Inc., 230 Park Avenue, New York, New York 10169 (the "Assignor"), in consideration of Ten Dollars ($10.00) in hand paid by _____ having an office at _____ (the "Assignee"), the receipt and sufficiency of which are hereby acknowledged, does hereby assign, transfer and set over to Assignee, all of Assignor's right, title and interest in and to any service, maintenance and concessionaire agreements (including, but not limited to, any management agreement) affecting the premises known as 1466 Broadway a/k/a 152 West 42nd Street, New York, New York (the "Premises") in effect on the date hereof (the "Agreements").

TO HAVE AND TO HOLD, the same unto Assignee, its successors and assigns, from and after the date hereof, subject to the terms, covenants, conditions and provisions therein contained. This Assignment is made without warranty or representation by, or recourse against, Assignor of any kind whatsoever.

This Assignment is made in connection with the transfer this day of the Premises by Assignor to Assignee.

Assignee hereby assumes the performance of all of the terms, covenants and conditions of the Agreements on Assignor's part to be performed thereunder on, from and after the date hereof and will well and truly perform all of the terms, covenants and conditions of the Agreements from and after the date hereof, and with the same force and effect as though Assignee had signed the Agreements as a party named therein.

This Agreement shall not be construed as a representation or warranty by Assignor as to the transferability of the Agreements, and Assignor shall have no liability to Assignee in the event that any or all of the Agreements (i) are not transferable to Assignee or (ii) are canceled or

terminated by reason of this assignment or any acts of Assignee.

IN WITNESS WHEREOF, Assignor and Assignee have signed this instrument as of the day of , 199 .

Assignor: 1466 BROADWAY ASSOCIATES

By:_____
Name:
Title:

Assignee: ( )

By:_____
Name:
Title:

EXHIBIT 4

Assignment and Assumption of Landlord's Interest in Leases

KNOW ALL MEN BY THESE PRESENTS that 1466 BROADWAY ASSOCIATES, having an office c/o Helmsley Enterprises, Inc., 230 Park Avenue, New York, New York 10169 (the "Assignor"), in consideration of Ten Dollars ($10.00) and other good and valuable consideration in hand paid by

, having an office at

(the "Assignee"), the receipt and sufficiency of which are hereby acknowledged, hereby assigns unto Assignee all of Assignor's right, title and interest in and to the following:

(i) All leases (the "Leases") made and entered into by any and all tenants at those certain premises known as 1466 Broadway a/k/a 152 West 42nd Street, New York, New York (the "Premises"); and

(ii) All security deposits, if any, held by Assignor under the Leases.

TO HAVE AND TO HOLD the same unto Assignee, its successors and assigns, from and after the date hereof, subject to the terms, covenants, conditions and provisions contained in the Leases. This Assignment is made without warranty or representation by, or recourse against, Assignor of any kind whatsoever.

Assignee hereby assumes the performance of all of the terms, covenants and conditions of the Leases (including but not limited to the obligation to pay for tenant improvement work and cash work allowances) herein assigned by Assignor to Assignee on, from and after the date hereof and hereby agrees to perform all of the terms, covenants and conditions of the Leases to be performed on, from and after the date hereof, all with the full force and effect as if Assignee had signed the Leases originally as the landlord named therein, and, in addition, with respect to the payment and performance of tenant improvement work and payment of cash work allowances, Assignee hereby assumes the obligation to perform such work and make such payments with respect to Leases entered into on or after

- , 1997 (the "Leasing Cutoff Date").

Assignee does hereby agree for itself and its successors and assigns to hold and apply all security deposits in accordance with the terms of the Leases pursuant to which the same were initially deposited.

Assignee does hereby agree for itself, its successors and assigns, to indemnify, defend and save Assignor, its successors and assigns, harmless from and against any and all claims and liability asserted or arising in connection with the performance by Assignee under the Leases (i) on, from and after the date hereof, and (ii) with respect to the payment and performance of tenant improvement work and payment of cash work allowances pursuant to Leases entered into on or after the Leasing Cutoff Date, on, from and after the Leasing Cutoff Date.

IN WITNESS WHEREOF, the parties hereto have signed this instrument as of this day of , 199 .

Assignor: 1466 BROADWAY ASSOCIATES

By:_____
Name:
Title:

Assignee: ( )

By:_____
Name:
Title:

EXHIBIT 5

Assignment of Licenses and/or Permits

KNOW ALL MEN BY THESE PRESENTS that 1466 BROADWAY ASSOCIATES, having an office c/o Helmsley Enterprises, Inc., 230 Park Avenue, New York, New York 10169 (the "Assignor"), in consideration of Ten Dollars ($10.00) and other good and valuable consideration in hand paid by

---

, having an office at

(the "Assignee"), the receipt and sufficiency of which are duly acknowledged, hereby assigns and quitclaims unto Assignee all of Assignor's right, title and interest, if any, in and to all assignable licenses and/or permits, if any, relating to and affecting those certain premises known as 1466 Broadway a/k/a 152 West 42nd Street, New York, New York (the "Premises").

TO HAVE AND TO HOLD the same unto Assignee, its successors and assigns, from and after the date hereof, subject to the terms, covenants, conditions and provisions therein contained.

This Assignment is made in connection with the transfer this day of the Premises by Assignor to Assignee.

This Assignment is made without warranty or representation by, or recourse against Assignor of any kind whatsoever.

IN WITNESS WHEREOF, the undersigned has signed this Assignment as of this day of , 199 .
---- ---- ---

1466 BROADWAY ASSOCIATES

By:_____
Name:
Title:

EXHIBIT 6

Assignment of Warranties and Guarantees

KNOW ALL MEN BY THESE PRESENTS that 1466 BROADWAY ASSOCIATES, having an office c/o Helmsley Enterprises, Inc., 230 Park Avenue, New York, New York 10169 (the "Assignor"), in consideration of Ten Dollars ($10.00) and other good and valuable consideration in hand paid by

---

, having an office at

(the "Assignee"), the receipt and sufficiency of which are duly acknowledged, hereby assigns and quitclaims unto Assignee all of Assignor's right, title and interest, if any, in and to all assignable warranties and guarantees of contractors, manufacturers, suppliers and/or installers, if any, relating to those certain premises known as 1466 Broadway a/k/a 152 West 42nd Street, New York, New York (the "Premises"), including all assignable warranties and guarantees covering the materials, goods and equipment installed in or upon the Premises.

TO HAVE AND TO HOLD the same unto Assignee, its successors and assigns, from and after the date hereof, subject to the terms, covenants, conditions and provisions therein contained.

This Assignment is made in connection with the transfer this day of the Premises by Assignor to Assignee.

This Assignment is made without warranty or representation by, or recourse against, Assignor of any kind whatsoever.

IN WITNESS WHEREOF, the undersigned has signed this Assignment as of this day of , 199 .
---- ---- ---

1466 BROADWAY ASSOCIATES

By:_____
Name:

Title:

EXHIBIT 7

Post-Closing Adjustment Letter

, 199

(Name and Address of
Purchaser)

Re: 1466 Broadway a/k/a 152 West 42nd Street,
New York, New York (the "Premises")

Gentlemen:

In connection with the closing adjustments made pursuant to the transfer of title of the Premises by the undersigned to you, a copy of which closing adjustments is annexed hereto, it is hereby agreed that if any arithmetic calculations shall prove to be erroneous, or any adjustment shall be omitted, same shall be adjusted between you and the undersigned after the closing. Any such adjustment shall be paid promptly after same is ascertained. The obligation to correct any erroneous adjustment or to make any additional adjustment in accordance with the above shall survive the closing.

Very truly yours,

1466 BROADWAY ASSOCIATES

By:_____

Name:

Title:

AGREED TO:

(Purchaser)

By:_____
Name:
Title:

EXHIBIT 8

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 1466 Broadway Associates, the undersigned hereby certifies the following on behalf of 1466 Broadway Associates:

1. 1466 Broadway Associates 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. 1466 Broadway Associates' U.S. employer identification number is , and

3. 1466 Broadway Associates' office address is c/o Helmsley Enterprises, Inc., 230 Park Avenue, New York, New York 10169.

The undersigned understands that this certification may be disclosed to the Internal Revenue Service by the 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 1466 Broadway Associates.

Dated:_____ _____

(Title)

EXHIBIT 9

Tenant Notice Letter

(Letterhead of Seller)

CERTIFIED MAIL
- --------------
RETURN RECEIPT REQUESTED
- ------------------------
AND BY HAND
- -----------

, 199
---------- ---

(Tenant)

Re: Acquisition of 1466 Broadway, New York, New York (the "Property")

Dear _____:

We are pleased to announce that _____ has today acquired the Property from 1466 Broadway Associates. _____'s address is _____.

Any security held in accordance with your lease at the Property ("Lease") has been transferred to _____. If that security is in the form of a letter of credit, _____ will shortly be in touch with you to arrange for appropriate changes to the letter of credit to reflect _____'s acquisition of the Property.

From this day forward, all checks payable to the landlord under your Lease should be made payable to:

Should you have any questions concerning the acquisition of the Property by _____, please call _____ at _____.

Very truly yours,

1466 BROADWAY ASSOCIATES

By:_____

Accepted and Agreed to:
(PURCHASER)

By:_____

EXHIBIT 10

Assignment and Assumption of Brokerage Agreements

KNOW ALL MEN BY THESE PRESENTS that 1466 BROADWAY ASSOCIATES, having an office c/o Helmsley Enterprises, Inc., 230 Park Avenue, New York, New York 10169 (the "Assignor"), in consideration of Ten Dollars ($10.00) and other good and valuable consideration in hand paid by

---------- , having an office at
- ----------

(the "Assignee"), the receipt and sufficiency of which are hereby acknowledged, does hereby assign, transfer and set over to Assignee, all of Assignor's right, title and interest in and to all brokerage agreements set forth on Exhibit 1 annexed hereto (the "Brokerage Agreements").

TO HAVE AND TO HOLD the same unto Assignee, its successors and assigns, from and after the date hereof, subject to the terms, covenants, conditions and provisions contained in the Brokerage Agreements. This

Assignment is made without warranty or representation by, or recourse against, Assignor of any kind whatsoever.

This Assignment is made in connection with the conveyance as of the date hereof by Assignor to Assignee of the premises known as and located at 1466 Broadway a/k/a 152 West 42nd Street, New York, New York.

Assignee hereby assumes the obligation to pay any commissions coming due under the Brokerage Agreements as a result of the exercise after _____ , 199 (the "Leasing Cutoff Date") of any option or right of first refusal by the "Tenant" under any "Lease" (as such terms are defined in that certain Agreement of Sale and Purchase between Assignor, as Seller, and Assignee, as Purchaser dated _____), or the leasing after the Leasing Cutoff Date of additional space by any such Tenant, or the renewal or extension of the term of any Lease entered into after the Leasing Cutoff Date.

IN WITNESS WHEREOF, the parties hereto have signed this instrument as of this day of , 199 .

ASSIGNOR:

1466 BROADWAY ASSOCIATES

By: _____
Name:
Title:

ASSIGNEE:

( )

By: _____
Name:
Title:

EXHIBIT 11

Escrow Letter

Dated: _____

Bachner, Tally, Polevoy & Misher LLP
380 Madison Avenue
New York, New York 10017

Re: Agreement of Sale and Purchase (the "Agreement") between 1466 Broadway Associates ("Seller") and _____ ("Purchaser") dated _____
Premises: 1466 Broadway, New York, New York

Gentlemen:

Pursuant to the above-referenced Agreement made this date by and between the undersigned, you are required to act as escrow agent, to hold $ _____ ("Escrow Deposit") in escrow, in accordance with the terms and conditions hereinafter set forth. The Escrow Deposit shall be deposited in an interest bearing account with Citibank, N.A.

The Escrow Deposit together with interest earned thereon, if any, shall be released or delivered to the party entitled thereto pursuant to the Agreement with reasonable promptness after you shall have received notice:

(a) from both parties to this Escrow Letter authorizing release of the Escrow Deposit; or

(b) of the occurrence of either of the following events:

(i) the closing under the Agreement; or

(ii) the receipt by Escrow Agent of a written notice from either party to this Escrow Letter stating that an event has occurred under the Agreement entitling the party delivering such notice to the Escrow Deposit, whereupon Escrow Agent shall deliver written notice (the "Default Notice") thereof to the other party and, unless such other party shall have delivered a written notice of objection to Escrow Agent within ten (10) days following receipt by such other party of the Default Notice, Escrow Agent shall deliver the Escrow Deposit to the party initially requesting the Escrow Deposit.

It is agreed that the duties of Escrow Agent are only such as are herein specifically provided, being purely ministerial in nature, and that Escrow Agent shall incur no liability whatever except for willful misconduct or gross negligence so long as Escrow Agent has acted in good faith. The undersigned hereby release Escrow Agent from any act done or omitted to be done by Escrow Agent in good faith in the performance of Escrow Agent's duties hereunder.

Escrow Agent shall be under no responsibility with respect to the Escrow Deposit other than faithfully to follow the instructions herein contained. Without limiting the generality of the foregoing, Escrow Agent shall have no responsibility to protect the Escrow Deposit, or to do any act or thing whatever in regard to the Escrow Deposit. Escrow Agent shall not be responsible for any failure to demand, collect or enforce any obligation with respect to the Escrow Deposit or for any diminution in value of the Escrow Deposit from any cause. Escrow Agent may consult with counsel and shall be fully protected in any action taken in good faith, in accordance with such advice. Escrow Agent shall not be required to defend any legal proceedings which may be instituted against Escrow Agent in respect of the subject matter of these instructions unless requested so to do by the undersigned and indemnified to the satisfaction of Escrow Agent against the cost and expense of such defense. Escrow Agent shall not be required to institute legal proceedings of any kind. Escrow Agent shall have no responsibility for the genuineness or validity of any document or other item deposited with Escrow Agent, and shall be fully protected in acting in accordance with any written instructions given to Escrow Agent hereunder and believed by Escrow Agent to have been signed by the proper parties.

Unless otherwise set forth in the first paragraph hereof the Escrow Deposit shall not include interest thereon. If pursuant to said paragraph the Escrow Deposit shall include interest, the same shall be deemed to mean only the interest actually earned from the date deposited in an interest bearing form to the date withdrawn. Escrow Agent shall not have any duty to maximize the rate or interest or duration of interest bearing form. If deposited in a form which is not convertible to cash when Escrow Agent is required to release the Escrow Deposit, Escrow Agent shall be deemed to have complied with the requirement of release by delivery of a duly executed assignment of its rights in the Escrow Deposit.

Escrow Agent assumes no liability under this Escrow Letter except that of a stakeholder. If there is any dispute as to whether Escrow Agent is obligated to deliver the Escrow Deposit, or as to whom the Escrow Deposit is to be delivered, Escrow Agent will not be obligated to make any delivery of the Escrow Deposit, but in such event may hold the Escrow Deposit until receipt by Escrow Agent of an authorization in writing signed by all the persons having interest in such dispute, directing the disposition of the Escrow Deposit, or in the absence of such authorization, Escrow Agent may hold the sum until the final determination of the rights of the parties in an appropriate proceeding. If such written authorization is not given, or proceedings for such determination are not begun and diligently continued, Escrow Agent is not required to bring an appropriate action or proceeding for leave to deposit the Escrow Deposit in court pending such determination, but may at Escrow Agent's sole discretion make a deposit of the Escrow Deposit in court and in such event all liability and responsibility of Escrow Agent shall terminate upon such deposit having been made. In making delivery of the Escrow Deposit in the manner provided for in this Escrow Letter, Escrow Agent shall have no further liability in the matter.

The undersigned hereby jointly and severally agree to indemnify and hold the Escrow Agent free and harmless from and against any claim, liability, suit, cost (including Escrow Agent's reasonable counsel fees) or other obligation incurred or arising out of this Escrow Letter excluding only Escrow Agent's liability for its own willful misconduct or gross negligence.

Purchaser and Seller have mutually requested that Escrow Agent act as escrow agent for the purpose of holding the Escrow Deposit in accordance with the terms of this Escrow Letter. Purchaser acknowledges that Escrow Agent represents Seller herein and has agreed to act as escrow agent as an accommodation to both parties hereto. Purchaser waives all claims in the nature of conflict of interest against Escrow Agent and further agrees that in the event of any dispute between Purchaser and Seller, Escrow Agent shall be free to continue its representation of Seller with regard to these matters.

Upon delivery of the Escrow Deposit in accordance with this Escrow Letter, Purchaser and Seller hereby release Escrow Agent from all obligations and liability hereunder.

Escrow Agent has executed this Escrow Letter to confirm that Escrow Agent is holding, and will hold, the Escrow Deposit in escrow pursuant to the provisions of this Escrow Letter.

Except as otherwise provided in this Escrow Letter, any and all notices, elections, demands, requests and responses thereto permitted or required to be given under this Escrow Letter shall be in writing, signed by the party giving the same, and shall be deemed to have been properly given and shall be deemed effective upon being personally delivered, or after being deposited in the United States mail, postage prepaid, certified with return receipt requested, to the other parties at the address of the other parties set forth below or at such other address within the continental United States as the other parties may designate by notice specifically designated as a notice of change of address and given in accordance herewith; provided, however, that the time period in which a response to any such notice, election, demand or request must be given shall commence on the date of receipt thereof; and provided further that no notice of change of address

shall be effective until the date of receipt thereof. Personal delivery to a party or to any officer, partner, agent or employee of such party at said address shall constitute receipt. Rejection or other refusal to accept or inability to deliver because of changed address of which no notice has been received shall also constitute receipt. Any such notice, election, demand, request or response shall be addressed as follows:

Seller at: Bachner, Tally, Polevoy & Misher LLP
380 Madison Avenue
New York, New York 10017
Attn: Martin D. Polevoy, Esq.

Purchaser:

Attn:

Escrow Agent at: Bachner, Tally, Polevoy & Misher LLP
380 Madison Avenue
New York, New York 10017
Attn: Martin D. Polevoy, Esq.

This Escrow Letter constitutes the entire agreement with respect to the terms and conditions of such escrow and any modification, amendment or supplement shall be binding only if made pursuant to an instrument in writing executed by each of the parties hereto. This Escrow Letter shall be binding upon and inure to the benefit of our respective successors and assigns except that the within escrow shall not inure to the benefit of either of the undersigned's assigns, unless and until you have received a duly executed assignment and assumption (in form satisfactory to you) of all or the assignor's obligations hereunder.

Very truly yours,

1466 BROADWAY ASSOCIATES

By:_____

(Purchaser)

By:_____

Accepted and Agreed to:

_____
Bachner, Tally, Polevoy & Misher LLP

Seller's Federal Tax Identification Number
is _____.

Purchaser's Federal Tax Identification Number
is _____.

LOAN AGREEMENT

between

SL GREEN OPERATING PARTNERSHIP, L.P.

and

SLG GRAYBAR LLC

and

SLG GRAYBAR 2 LLC

and

NEW GREEN 1140 REALTY LLC

and

SLG 17 BATTERY LLC

and

SL GREEN REALTY CORP.

and

LEHMAN BROTHERS HOLDINGS INC.
D/B/A LEHMAN CAPITAL, A DIVISION
OF LEHMAN BROTHERS HOLDINGS INC.,
Individually as a Co-Lender and as Agent for one or more Co-Lenders
and as Syndication Agent

Dated as of March 20, 1998

$275,000,000.00

TABLE OF CONTENTS

SCHEDULES

EXHIBITS

Exhibit F Assignment of Management Agreement and Subordination of Management Fees
Exhibit G Ground Lease Estoppel
Exhibit H Compliance Certificate
Exhibit I The Guaranty

THIS LOAN AGREEMENT, dated as of March _____, 1998 is made among SL GREEN OPERATING PARTNERSHIP, L.P. (the "Partnership"), SLG GRAYBAR LLC, SLG GRAYBAR 2 LLC, NEW GREEN 1140 REALTY LLC, and SLG 17 BATTERY LLC (collectively, the "Borrower"), SL GREEN REALTY CORP. (the "REIT") and LEHMAN BROTHERS HOLDINGS INC., D/B/A LEHMAN CAPITAL, A DIVISION OF LEHMAN BROTHERS HOLDINGS INC., a Delaware corporation, ("Lehman") individually as a Co-Lender ("Lender") and as Agent for one or more Co-Lenders ("Agent") and as Syndication Agent ("Syndication Agent").

SECTION 1. DEFINITIONS.

Section 1.01 Definitions. As used herein, the following terms shall have the meanings herein specified unless the context otherwise requires. Defined terms in this Agreement shall include in the singular number the plural and in the plural number the singular.

"Acquisition Properties" shall mean, individually and collectively, as the context may require, The Graybar Building, 1466 Broadway and 321 West 44th Street; all of which are located in the City of New York and State of New York.

"Adjusted NOI" shall mean for any Real Property Asset, the product of (i) Net Operating Income for the three (3) month period immediately preceding the date of determination, multiplied by (ii) four (4); for the purposes of this definition, the Adjusted NOI for the Bar Building shall mean, until and unless Borrower shall own the fee simple and leasehold title to the Bar Building, the product of (a) the lesser of (1) the actual cash received and applied to interest then due to Borrower under the Bar Building Loan Documents during the three (3) month period immediately preceding the date of determination on account of the interest becoming payable during such period, less Minimum Capital Expenditures Reserves and Minimum Management Fees for such period and (2) the Net Operating Income of the Bar Building for such period, less Minium Capital Expenditures Reserves and Minimum Management Fees for such period multiplied by (b) four (4).

"Advance" shall mean each advance of the principal balance of the Loan.

"Affiliate" shall mean, with reference to a specified Person, any Person that directly or indirectly through one or more intermediaries Controls or is Controlled by or is under common Control with the specified Person and any Subsidiaries (including Consolidated Subsidiaries) of such specified Person.

"Agent" shall have the meaning provided in the opening paragraph of this Agreement and in Section 9.09(e).

"Agreement" shall mean this Loan Agreement as the same may from time to time hereafter be modified, supplemented or amended.

"Agreement of Sale" means that certain Amended and Restated Agreement of Sale dated as of June 23, 1997 between 17 Battery Upper Partners and SLG 17 Battery LLC.

"Annual Operating Budget" shall have the meaning provided in Section 5.01.

"Applicable Laws" shall mean all existing and future federal, state and local laws, statutes, orders, ordinances, rules, and regulations or orders, writs, injunctions or decrees of any court affecting Borrower, any Loan Party or any Real Property Asset, or the use thereof including, but not limited to, all zoning, fire safety and building codes, the Americans with Disabilities Act, and all Environmental Laws (as defined in the Environmental Indemnity).

"Appraisal" shall mean an appraisal prepared in accordance with the requirements of FIRREA, prepared by an independent third party appraiser holding an MAI designation, who is state licensed or state certified in the State of New York, who meets the requirements of FIRREA and who has at least ten (10) years real estate experience appraising properties of a similar nature and type as 110 E. 42/nd/ Street and who is otherwise reasonably satisfactory to the Agent.

"Appraisal Period" shall mean, with respect to 110 E.42/nd/ Street, each eighteen (18) month period commencing on the date of the Appraisal of 110 E.42/nd/ Street that was delivered to Agent prior to Closing and each Appraisal of 110 E. 42/nd/ Street delivered thereafter to Agent pursuant to

clause (iii) of the definition of Total Mortgaged Asset Value.

"Assets" of any Person means all assets of such Person that would, in accordance with GAAP, be classified as assets of a company conducting a business the same as or similar to that of such Person, including without limitation, all Real Property Assets and Permitted Investments.

"Assignment and Assumption" shall have the meaning provided in Section 9.09.

"Assignment of Leases and Rents" shall mean that certain blanket first-priority present assignment of even date herewith giv-Lender and Syndication Agent of all present and future leases of all or any part of the Mortgaged Assets and all renewals thereof and all rents, additional rents, revenues, issues and profits derived from the Mortgaged Assets.

"Bankruptcy Code" shall mean Title 11 of the United States Code entitled "Bankruptcy", as amended from time to time, and any successor statute or statutes and all rules and regulations from time to time promulgated thereunder, and any comparable applicable foreign laws relating to bankruptcy, insolvency or creditors' rights.

"Bar Building" shall mean those certain Real Property Assets located at 36 West 44/th/ Street, New York, New York and 35 West 43/rd/ Street, New York, New York.

"Bar Building Asset" shall mean the Bar Building and the Bar Building Loan Documents .

"Bar Building Event of Default" shall mean a "Forbearance Termination Default", as such term is defined under the Settlement Agreement.

"Bar Building Loan Documents" shall mean the Bar Building Notes, the Bar Building Mortgages, the Settlement Agreement, the Cash Management Agreement, the Transfer and Escrow Agreement, the Bar Building Management Agreement and any other documents or instruments evidencing, recurring, or guaranteeing the Bar Building Notes or perfecting Borrower's Lien on the Bar Building.

"Bar Building Management Agreement" shall mean that certain management agreement dated June 2, 1996 between the Bar Building Mortgagor and SL Green Management Corp. with respect to the Bar Building.

"Bar Building Mortgages" shall mean the mortgages securing the Bar Building Notes and encumbering the Bar Building, as more fully described therein.

"Bar Building Mortgagor" shall mean, collectively, Bar Building Associates Joint Venture, a New York joint venture with respect to the fee interest in 36 West 44th Street, New York, New York and Lawplaza, Inc., a New York corporation with respect to the leasehold estate in 35 West 43rd Street, New York, New York, together with their respective successors and assigns.

"Bar Building Notes" shall mean those two certain mortgage notes in the principal amount of $15,000,000.00 and $3,000,000.00, respectively, and more particularly described on Schedule 11 attached hereto, as the same may be modified, amended or supplemented.

"Base Rate" shall mean, on any particular date, a rate per annum equal to the rate of interest publicly announced by Agent as its prime rate in effect on such day, with any change in said rate to be effective as of the date of such change; however, if Lehman is the Agent or if any successor agent does not announce its rate or ceases to announce a primet on such day, with any change in the Base Rate resulting from a change in said prime rate to be effective as of the date of the relevant change in said prime rate; provided, however, that if more than one prime rate is published in The Wall Street Journal for a day, the average of the prime rates shall be used; provided, further, however, that the prime rate (or the average of the prime rates) will be rounded to the nearest 1/16 of 1% or, if there is no nearest 1/16 of 1%, to the next higher 1/16 of 1%.

In the event that The Wall Street Journal should cease or temporarily interrupt publication, then the Base Rate shall mean the daily average prime rate published in another business newspaper, or business section of a newspaper, of national standing chosen by Agent. If The Wall Street Journal resumes publication, the substitute index will immediately be replaced by the prime rate published in The Wall Street Journal.

In the event that a prime rate is no longer generally published or is limited, regulated or administered by a governmental or quasi-governmental body, then Agent shall select a comparable interest rate index which is

readily available to Borrower and verifiable by Borrower but is beyond the control of Agent or any Co-Lender. Agent shall give Borrower prompt written notice of its choice of a substitute index and when the change became effective.

Such substitute index will also be rounded to the nearest 1/16 of 1% or, if there is no nearest 1/16 of 1%, to the next higher 1/16 of 1%.

The determination of the Base Rate by Agent shall be conclusive absent manifest error.

"Base Rate Margin" means the applicable percentage per annum set forth in the column "Base Rate Margin" determined by cross indexing the column corresponding to the principal balance of the Loan and the row corresponding to the applicable time period in the matrix set forth below:

BASE RATE MARGIN

	Outstanding Principal Balance of the Loan		
Time Period	Less than $240,000,000	$240,000,000 or more but less than $260,000,000	$260,000,000 or more
March 18, 1998 to June 17, 1998	.5%	.8%	1.05%
June 18, 1998 to September 17,1998	.8%	1.05%	1.3%
After September 17, 1998	1.3%	1.55%	1.8%

The Base Rate Margin shall be determined by reference to the matrix above, and any change in the Base Margin Rate shall be effective immediately upon the date of a change in the outstanding principal balance of the Loan or the applicable period as set forth in the matrix above.

"Base Rate Portion" shall mean the portion of the Loan made and/or being maintained at a rate of interest based upon the Base Rate.

"Best" shall mean A.M. Best Company, Inc.

"Book Value" shall mean, with respect to any asset of any Person, the net book value of such assets that is reflected on such Person's consolidated financial statements, including any deduction, adjustment or allowance made at any time for depreciation, amortization, or otherwise as calculated and prepared in accordance with GAAP.

"Borrower" shall have the meaning provided in the first paragraph of this Agreement and any successor Borrower expressly permitted hereunder.

"Borrowing" shall mean a borrowing of one Type of Advance from Agent and the Co-Lenders on a given date (or resulting from conversions or continuations on a given date), having in the case of Eurodollar Portions the same Interest Period.

"Business Day" shall mean (i) for all purposes other than as covered by clause (ii) below, any day excluding Saturday, Sunday and any day which shall be in New York City a legal holiday or a day on which Agent, or any Co-Lender or banking institutions are authorized or required by law or other government actions to close, and (ii) with respect to all notices and determinations in connection with, and payments of principal and interest on, Eurodollar Portions, any day which is a Business Day described in clause (i) and which is also a day for trading by and between banks for U.S. dollar deposits in the relevant interbank Eurodollar market.

"Capital Expenditures" shall mean, for any Person, for any period, all expenditures made by such Person during such period for equipment, fixed assets, real property or improvements, or for replacements or substitutions therefor or additions thereto, that have a useful life of more than one year.

"Capitalized Lease" as to any Person shall mean (i) any lease of property, real or personal, the obligations under which are capitalized on the consolidated balance sheet of such Person and its Subsidiaries, and (ii) any other such lease to the extent that the then present value of the minimum rental commitment thereunder should, in accordance with GAAP, be capitalized on a balance sheet of the lessee.

"Capitalized Lease Obligations" as to any Person shall mean all obligations of such Person and its Subsidiaries under or in respect of Capitalized Leases.

"Cash Equivalents" shall mean any of the following, to the extent owned by a Person free and clear of all Liens: (a) readily marketable direct

obligations of the Government of the United States or any agency or instrumentality thereof or obligations unconditionally guaranteed by the full faith and credit of the Government of the United States, (b) Federally insured certificates of deposit of or time deposits with any commercial bank that is a Co-Lender or a member of the Federal Reserve System, issues (or the parent of which issues) commercial paper rated as described in clause (c) below, is organized under the laws of the United States or any State thereof and has combined capital and surplus of at least $1 billion or (c) commercial paper issued by any corporation organized under the laws of any State of the United States and rated at least "Prime-1" (or the then equivalent grade) by Moody's Investors Service, Inc. or "A-1" (or the then equivalent grade) by Standard & Poor's Ratings Services.

"Cash Management Agreement" shall mean that certain Management Agreement dated June 28, 1996 between the Bar Building Mortgagor, SL Green Management Corp. and The Travelers Insurance Company as assigned by various mesne assignments to Borrower, as the same may be modified, amended or supplemented from time to time.

"Change in Law" shall have the meaning provided in Section 2.19(c).

"Closing Date" shall mean the date of this Agreement.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, and any successor statute, together with all final rules and regulations from time to time promulgated thereunder.

"Co-Lender" shall mean any entity or entities to which Lender sells with novation all or any part of its right, title and interest in, to and under the Loan, and any successors or assigns of Lender or any Co-Lender pursuant to Section 9.09.

"Commitment" shall mean each Co-Lender's obligations under the Loan Documents to make Advances.

"Common OP Units" shall mean all limited partnership interests in the Borrower other than Preferred OP Units.

"Compliance Certificate" shall have the meaning set forth in Section 5.01(b)(ii).

"Consolidated Subsidiaries" shall mean those Persons (including Borrower) set forth on Schedule 3 hereof, and any other Persons required to be consolidated with Borrower or the REIT under GAAP in Borrower's or the REIT's consolidated financial statements, and only for so long as (i) such Persons continue to be required to be consolidated with Borrower or the REIT under GAAP in Borrower's or the REIT's consolidated financial statements or (ii) none of the events described in Section 7.01(e) have occurred with respect to any such Persons.

"Contingent Obligation" as to any Person shall mean any obligation of such Person guaranteeing or intended to guarantee any Indebtedness, leases (including Capitalized Leases) dividends or other obligations ("primary obligations") of any other Person (the "primary obligor") in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor,(ii) to advance or supply funds (x) for the purchase or payment of any such primary obligation or (y) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth, solvency or other financial condition of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the owner of such primary obligation against loss in respect thereof: provided, however, that the term Contingent Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business or obligations of such Person which would not be required to be disclosed under GAAP as liabilities or footnoted on such Person's financial statement. The amount of any accrued or accruable Contingent Obligation shall be determined in accordance with GAAP.

"Contract Rate" shall mean the rate or rates of interest (which rate shall include the applicable margin added thereto pursuant to the terms of this Agreement) per annum provided for in this Agreement which are applicable to the Loan from time to time so long as no Event of Default has occurred and is continuing. If more than one rate of interest is applicable to the Loan, then, unless the context indicates that the Contract Rate is to be determined for each Loan Portion, the Contract Rate shall be the average of such rates (rounded upwards, if necessary, to the nearest 1/100 of 1%) with such average to be weighted according to the relative size of the Loan

Portions to which such different rates are applicable. The determination of the Contract Rate by Agent shall be conclusive absent manifest error.

"Control" shall mean in (a) in the case of a corporation, ownership, directly or through ownership of other entities, of at least ten percent (10%) of all the voting stock (exclusive of stock which is voting only as required by applicable law or in the event of nonpayment of dividends and pays dividends only on a nonparticipating basis at a fixed or floating rate), and (b) in the case of any other entity, ownership, directly or through ownership of other entities, of at least ten percent (10%) of all of the beneficial equity interests therein (calculated by a method that excludes from equity interests, ownership interests that are nonvoting (except as required by applicable law or in the event of nonpayment of dividends or distributions) and pay dividends or distributions only on a non-participating basis at a fixed or floating rate) or, in any case, (c) the power directly or indirectly, to direct or control, or cause the direction of, the management policies of another Person, whether through the ownership of voting securities, general partnership interests, common directors, trustees, officers by contract or otherwise. The terms "controlled" and "controlling" shall have meanings correlative to the foregoing definition of "Control."

"Current Co-Lender"shall mean each of the Co-Lenders which is not a Defaulting Co-Lender.

"Default" shall mean any event, act or condition which shall have occurred and which, with the giving of notice or lapse of time, or both, would constitute an Event of Default.

"Default Rate" shall mean for each Loan Portion the lesser of (a) the Maximum Legal Rate or (b) the greater of (i) the rate per annum determined by adding four percent (4%) per annum to (A) the Contract Rate applicable to each Loan Portion immediately prior to a Default until the expiration of the applicable Interest Periods, or (B) the sum of the Eurodollar Rate Margin and the Eurodollar Rate as the same shall adjust each month, thereafter, or (ii) in the event Base Rate is being used pursuant to Section 2.16 hereof, the rate per annum determined by adding four percent (4%) per annum to the Base Rate as from time to time in effect.

"Defaulting Co-Lender" shall have the meaning ascribed to it in Section 9.09(d).

"Distribution" shall mean any dividends (other than dividends payable solely in equities), distributions, return of capital to any stockholders, general or limited partners or members, distributions or delivery of property or cash to stockholders, general or limited partners or members, or any redemption, retirement, purchase or other acquisition, directly or indirectly, of any shares of any class of capital stock now or hereafter outstanding (or any options or warrants issued with respect to capital stock) general or limited partnership interest, or, without duplication, the setting aside of any funds for the foregoing; provided, however, that the foregoing definition shall not be deemed to include payments of any of the foregoing interests made in the form of salaries, bonuses, wages or similar employee compensation.

"Dollars" and the symbol "$" each mean the lawful money of the United States of America.

"Domestic Lending Office" shall mean the office set forth in Section 9.02 for Agent and the Co-Lenders, or such other office as may be designated from time to time by written notice to Borrower.

"Employee Benefit Plan" shall mean an employee benefit plan within the meaning of Section 3(3) of ERISA.

"Environmental Indemnity" shall mean that certain environmental indemnity agreement dated the date hereof given by Borrower and the REIT to the Agent, individually as a Co-Lender and as Agent, and Lehman as Syndication Agent and Co-Lender, as the same may be supplemented or amended from time to time.

"Environmental Laws"shall have the meaning provided in the Environmental Indemnity.

"Environmental Reports" shall mean written environmental site assessments, prepared by independent qualified environmental professionals reasonably acceptable to Agent, for each Real Property Asset, containing the following: (1) a Phase I environmental site assessment analyzing the presence of environmental contaminants, polychlorinated biphenyls or storage tanks and other Hazardous Substances at each of the Real Property Assets, the risk of contamination from off-site Hazardous Substances and compliance with Environmental Laws, such assessments shall be conducted in accordance with ASTM Standard E 1527-93, or any successor thereto published by ASTM, with respect to each of the Real Property Assets, (ii) an asbestos survey of each

of the Real Property Assets, which shall include random sampling of materials and air quality testing, (iii) if any of the Real Property Assets is used for residential housing, an assessment of the presence of lead-based paint, lead in water and radon in the improvements (other than units that are not owned or leased by Borrower, the REIT, any other Loan Party or any Affiliate thereof), and (iv) such further site assessments Agent may reasonably require or request due to the results obtained in (i), (ii) or (iii) hereof.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time and any successor statute, together with all final rules and regulations promulgated thereunder. Section references to ERISA are to ERISA, as in effect at the date of this Agreement and any provisions of ERISA substituted therefor.

"ERISA Controlled Group" means any corporation or entity or trade or business or person that is a member of any group described in Section 414(b), (c), (m) or (o) of the Code of which Borrower, the REIT or any Guarantor is a member.

"Eurocurrency Reserve Requirements" shall mean, with respect to each day during an Interest Period for Eurodollar Portions, that percentage (expressed as a decimal) which is in effect on such day, as prescribed by the Federal Reserve Board or other governmental authority or agency having jurisdiction with respect thereto for determining the maximum reserves (including, without limitation, basic, supplemental, marginal and emergency reserves) for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D) maintained by a member bank of the Federal Reserve System.

"Eurodollar Base Rate" shall mean, for any Interest Period, the rate per annum (rounded upwards, if necessary, to the next higher one hundred-thousandth of a percentage point) for deposits in U.S. Dollars for a period equal to one month which appears on the Telerate Page 3750 as of 11:00 a.m. (London, England time) two (2) Business Days prior to the first day of such Interest Period. The determination of the Eurodollar Base Rate by Agent shall be conclusive absent manifest error.

"Eurodollar Lending Office" shall mean the office of Agent (or any Co-Lender) designated as such by Agent from time to time by written notice to Borrower.

"Eurodollar Portions" shall mean each portion of the Loan made and/or being maintained at a rate of interest calculated by reference to the Eurodollar Rate.

"Eurodollar Rate" shall mean a rate per annum equal to the Eurodollar Base Rate, or, if any Co-Lender is subject to Eurocurrency Reserve Requirements, whether or not such reserves are actually incurred or maintained, the average of the Eurodollar Base Rate and the Adjusted Eurodollar Base Rate (defined below), with such average to be weighted according to the percentage of the Eurodollar Portion subject to such Co-Lender's interest in the Loan and the balance of such Eurodollar Portion. The Adjusted Eurodollar Base Rate shall mean a rate per annum, determined for each day during an Interest Period in accordance with the following formula (rounded upwards to the nearest whole multiple of l/16th of one percent):

$$\frac{\text{Eurodollar Base Rate}}{1.00 - \text{Eurocurrency Reserve Requirements}}$$

"Eurodollar Rate Margin" means the applicable percentage per annum set forth in the column "Eurodollar Rate Margin" determined by cross indexing the column corresponding to the then outstanding principal balance of the Loan and the row corresponding to the applicable time period in the matrix set forth below:

EURODOLLAR RATE MARGIN

Time Period	Outstanding Principal Balance of the Loan: Less than $240,000,000	$240,000,000 or more but less than $260,000,000	$260,000,000 or more
March __, 1998 to June ____, 1998	1.7%	2.0%	2.25%
June ___, 1998 to September ___, 1998	2.0%	2.25%	2.5%
After September ___, 1998	2.5%	2.75%	3.0%

The Eurodollar Rate Margin for the Eurodollar Rate Portions shall be determined by reference to the matrix above, and any change in the Eurodollar Rate Margin shall be effective immediately upon the date of a change in the outstanding principal balance of the Loan or the applicable

time period as set forth the matrix above.

"Event of Default" shall have the meaning provided in Section 7.

"Existing Mortgage Debt" shall mean those certain existing mortgages, as more particularly described on Schedule 17 attached hereto as the same may be modified, amended or supplemented, which Existing Mortgage Debt encumbers 673 First Avenue, 50 West 23/rd/ Street, 470 Park Avenue South and 29 West 35th Street.

"Extension Fee" shall mean a non-refundable fee equal to 0.375% of the amount outstanding under the Loan.

"Facility Amount" shall initially mean U.S. $275,000,000.00, as such amount may be reduced pursuant to Section 2.11 or otherwise pursuant to the terms and conditions of this Agreement.

"Federal Reserve Board" shall mean the Board of Governors of the Federal Reserve System as constituted from time to time, or any successor thereto in function.

"Fees" shall mean all amounts payable pursuant to Sections 2.09, 2.15, 2.17 and 9.01.

"Fee Letter" shall mean that certain letter agreement between Borrower, the REIT and Lehman dated the date hereof.

"Financial Covenants" shall mean Sections 6.07, 6.08 and 6.09.

"FIRREA" means the Financial Institutions Reform, Recovery and Enforcement Act of 1989, as amended from time to time.

"Funding Costs" shall have the meaning provided in Section 2.17.

"Funds from Operations" shall mean consolidated net income (loss) before extraordinary items, computed in accordance with GAAP, plus, to the extent deducted in determining net income (loss) and without duplication, (i) gains (or losses) from debt restructuring and sales of property (or adjustments to basis of properties or other assets), (ii) non-recurring charges, (iii) provisions for losses, (iv) real estate related depreciation, amortization and other non-cash charges (excluding amortization of financing costs), and (v) amortization of organizational expenses minus, to the extent included in net income (loss) and without duplication, (a) non-recurring income and (b) equity income (loss) from unconsolidated partnerships and joint ventures less the proportionate share of funds from operations of such partnerships and joint ventures, which adjustments shall be calculated on a consistent basis.

"Furnished Information" shall have the meaning provided in Section 4.15.

"GAAP" shall mean United States generally accepted accounting principles on the date hereof and as in effect from time to time during the term of this Agreement, and consistent with those utilized in the preparation of the financial statements referred to in Section 4.05.

"Graybar Building" shall mean that real property located at 420 Lexington Avenue, New York, New York.

"Graybar Leases" shall mean all those ground leases, as the same may be assigned and/or amended, affecting the Graybar Building as further described on Schedule 18

"Graybar Operating Lease" shall mean that certain Operating Sublease dated June 1, 1964 between Precision Dynamics Corporation (now New York Graybar Lease L.P.), as sub-sublandlord, and Harry D. Helmsley d/b/a/ Graybar Building Company as sub-subtenant, as sub-subtenant's interest has been assigned to SLG Graybar LLC

"Ground Lease" shall mean those ground leases described on Schedule 10 and any other ground lease that complies with the provisions set forth in Section 4.27.

"Ground Lease Estoppel" shall have the meaning provided in Section 3.01(a)(xi).

"Guarantor" shall mean the Loan Parties identified on Schedule 14

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and each owner, other than the Borrower and the REIT, of a Mortgaged Asset.

"Guaranty" shall mean a Guaranty of Payment in substantially in
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form as attached hereto as Exhibit "I".

"Hazardous Substances" shall have the meaning provided in the
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Environmental Indemnity.

"Improvements" shall mean any building, structure, fixture,
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addition, enlargement, extension, modification, repair, replacement or improvement now or hereafter located or erected on any Real Property Asset.

"Increased Capital Costs" shall have the meaning provided in

Section 2.18.

"Indebtedness" of any Person shall mean, without duplication, (i)
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all indebtedness of such Person for borrowed money or for the deferred purchase price of property or services, (ii) all indebtedness of such Person evidenced by a note, bond, debenture or similar instrument, (iii) the outstanding undrawn amount of all letters of credit issued for the account of such Person and, without duplication, all un-reimbursed amounts drawn thereunder, (iv) all indebtedness of any other person or entity secured by any Lien on any property owned by such Person, whether or not such indebtedness has been assumed, (v) all Contingent Obligations of such Person, (vi) all Unfunded Benefit Liabilities of such Person, (vii) all payment obligations of such Person under any interest rate protection agreement (including, without limitation, any interest rate swaps, caps, floors, collars and similar agreements) and currency swaps and similar agreements, (viii) all indebtedness and liabilities of such Person secured by any Lien or mortgage on any property of such Person, whether or not the same would be classified as a liability on a balance sheet, (ix) the liability of such Person in respect of banker's acceptances and the estimated liability under any participating mortgage, convertible mortgage or similar arrangement, (x) the aggregate principal amount of rentals or other consideration payable by such Person in accordance with GAAP over the remaining unexpired term of all Capitalized Leases of such Person, (xi) all judgments or decrees by a court or courts or competent jurisdiction entered against such Person, (xii) all indebtedness, payment obligations, contingent obligations, etc. of any partnership in which such Person holds a general partnership interest, provided that if such indebtedness is non-recourse, only the portion of such indebtedness equal to such Person's percentage ownership interest in such partnership shall be included in this definition, (xiii) all convertible debt and subordinated debt owed by such Person, (xiv) all Preferred OP Units (if any) and preferred stock issued by such Person that, in either case, are redeemable for cash on a mandatory basis, a cash equivalent, a note receivable or similar instrument or are convertible on a mandatory basis to Indebtedness as defined herein (other than Indebtedness described in clauses (iii), (vi), (x), (xi) or (xiv) of this definition), and (xv) all obligations, liabilities, reserves and any other items which are listed as a liability on a balance sheet of such Person determined on a consolidated basis in accordance with GAAP, but excluding (A) all general contingency reserves and reserves for deferred income taxes and investment credit and (B) all customary trade payables and accrued expenses not more than sixty (60) days past due and (C) any indebtedness of such Person evidenced by a note or notes that is secured by a pledge of cash or Cash Equivalents with a value equal to or greater than the amount of the related indebtedness and which generates cash flow sufficient to pay all sums due on such indebtedness when the same are due and payable.

"Indemnitee" shall have the meaning provided in Section 9.01(c).

"Initial Advance" shall mean that certain Advance on the date
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hereof in the principal amount of $225,459,896.05; which Initial Advance shall be comprised of $107,613,915.30 in outstanding indebtedness under the Interim Loan Agreement, as the Interim Loan Agreement is amended and restated in its entirety pursuant to the provisions hereof, and $117,845,980.75 in new indebtedness.

"Intercreditor Agreement" shall have the meaning provided in

Section 9.04.

"Interest Period" shall mean for any Eurodollar Portion, a one
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month period commencing on the date of the making of any Advance (including the date of any conversion from the Base Rate Portion) and each Interest Period occurring thereafter in respect of such Eurodollar Portion shall commence on the date next succeeding the date on which the next preceding Interest Period expires. If any Interest Period would otherwise expire on a day which is not a Business Day, such Interest Period shall expire on the next succeeding Business Day. If any Interest Period begins on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period, such Interest Period shall end on the last Business Day of such calendar month. No Interest Period in respect of any Eurodollar Portion shall extend beyond the Maturity Date.

"Interim Loan Agreement" shall mean that certain Loan Agreement dated as of August 20, 1997, as amended by that certain First Modification of Loan Agreement and Collateral Account Agreement dated as of September 15, 1997, each between the Partnership, New Green 1140 Realty LLC ("1140 LLC"), the REIT and Agent and as further amended by Letter Agreements dated September 20, 1997, September 29, 1997, and October 20, 1997, between the Partnership, the REIT, 1140 LLC and Agent, and that certain Second Modification of Loan Agreement and Collateral Account Agreement dated December 17, 1997, between the Partnership, the REIT, 1140 LLC, 50W23 LLC and Agent, and as further amended by that certain Third Modification of Loan Agreement and Collateral Account Agreement dated as of December 29, 1997, between the Partnership, the REIT, 50W23 LLC and Agent and that certain Fourth Modification of Loan Agreement and Collateral Account Agreement dated as of January 13, 1998, between the Partnership, the REIT, 50W23 LLC and Agent.

"Investment Grade Tenant" shall mean any te- or better as assigned by S&P or Baa3 or better as assigned by Moody's.

"Leases" shall mean all leases and other agreements, whether or not in writing, to which an owner of a Real Property Asset is a party or by which such owner is bound, pursuant to which a Person is permitted to use, enjoy or occupy all or any portion of any Real Property Asset, whether heretofore or hereafter entered into.

"Lien" shall mean any mortgage, deed of trust, pledge, hypothecation, collateral assignment, encumbrance, lien (statutory or other), preference, priority or other security agreement of any kind or nature whatsoever, including, without limitation, any conditional sale or other title retention agreement, any financing lease having substantially the same effect as any of the foregoing, inchoate liens arising under ERISA to secure the Contingent Liabilities of Borrower, the REIT, or any Loan Party, and the filing of any financing statement or similar instrument under the Uniform Commercial Code or comparable law of any jurisdiction, domestic or foreign in connection with the creation of a security interest.

"Loan" shall mean, in the aggregate, the then outstanding and unpaid Advances made to Borrower under this Agreement and the Note pursuant to the terms hereof, the aggregate outstanding principal amount of which shall not exceed at any time the Facility Amount.

"Loan Documents" shall mean this Agreement, the Note, the Security Instruments, the Environmental Indemnity, the Assignment of Leases and Rents, the Subordination of Management Agreement, the Ground Lease Estoppel, the Pledge Agreement, each estoppel certificate, each UCC Financing Statement filed in connection herewith, subordination, attornment and non-disturbance agreements, the Intercreditor Agreement and any other documents or instruments evidencing, securing or guaranteeing the Loan.

"Loan Party" shall mean, individually and collectively, as the context requires, Borrower, the REIT, each Guarantor, and the general partners of Borrower if Borrower is a limited partnership, and the managing members of Borrower if Borrower is a limited liability company.

"Loan Portion" shall mean the Base Rate Portion and each Eurodollar Portion of the Loan.

"Majority Co-Lenders" shall have the meaning provided in the Intercreditor Agreement, provided that prior to Syndication, it shall mean the Lender. With respect to the provisions of this Agreement requiring the consent, approval, disapproval or determination of the Majority Co-Lenders, each Current Co-Lender's Pro Rata Interest shall be used as the means of calculating the Majority Co-Lenders and the term "Majority Co-Lenders" shall mean those Current Co-Lenders whose Pro Rata Interests, at any time, in the aggregate, is equal to or greater than the percentage prescribed in Intercreditor Agreement based solely on the aggregate owned by all Current Co-Lenders; the Pro Rata Interests in the Loan of Defaulting Co-Lenders shall not be taken into account in the calculation of the Majority Co-Lenders.

"Management Agreements" shall mean those management agreements described on Schedule 15, and any subsequent management agreements entered into pursuant to Section 5.21.

"Manager" shall mean SL Green Management LLC or another wholly owned Affiliate or Subsidiary of Borrower.

"Margin Stock" shall have the meaning provided such term in Regulation U and Regulation G of the Federal Reserve Board.

"Material Adverse Effect" shall mean any condition which has a material adverse effect upon (i) the business, operations, properties, assets or condition (financial or otherwise) of Borrower or the REIT or any of the

Loan Parties, taken as a whole, or (ii) the ability of Borrower or the REIT or the Loan Parties to perform, or of Agent, or any Co-Lender to enforce, any of the Obligations.

"Maturity Date" shall mean March 17, 1999, as such date may be extended pursuant to Section 2.09(b) or such earlier date on which the principal balance of the Loan and all other sums due in connection with the Loan shall be due as a result of the acceleration of the Loan.

"Maximum Legal Rate" shall mean the maximum nonusurious interest rate, if any, that at any time or from time to time may be contracted for, taken, reserved, charged or received on the indebtedness evidenced by the Note and as provided for herein or the other Loan Documents, under the laws of such state or states whose laws are held by any court of competent jurisdiction to govern the interest rate provisions of the Loan.

"Minimum Capital Expenditure Reserves" shall mean, for any Real Property Asset, $0.40 per net rentable square foot of such Real Property Asset per annum, or, for any shorter period, such amount multiplied by a fraction the numerator of which is the length of the applicable period in months (or portions thereof) and the denominator of which is 12.

"Minimum Leasing Commission Reserves" shall mean for any Real Property Asset, $0.51 per net rentable square foot of such Real Property Asset per annum, or, for any shorter period, such amount multiplied by a fraction the numerator of which is the length of the applicable period in months (or portions thereof) and the denominator of which is 12.

"Minimum Management Fees" shall mean three percent (3%) of Rents from the related Real Property Asset for the three (3) month period immediately preceding the calculation.

"Minimum Reserves" shall mean the sum of Minimum Capital Expenditure Reserves, Minimum Tenant Improvement Reserves and Minimum Leasing Commission Reserves.

"Minimum Tenant Improvement Reserves" shall mean for any Real Property Asset, $1.78 per net rentable square foot of such Real Property Asset per annum, or, for any shorter period, such amount multiplied by a fraction the numerator of which is the length of the applicable period in months (or portions thereof) and the denominator of which is 12.

"Moody's" shall mean Moody's Investor Service, Inc.

"Mortgaged Assets" shall mean the real property listed on Schedule 1 attached hereto and made a part hereof. Borrower's interest in the Graybar Building, including, without limitation, Borrower's interest (if any) in the Graybar Leases, if any, and the Graybar Operating Lease, shall be deemed a Mortgaged Assets notwithstanding the fact that they are not encumbered by the Lien of the Security Instrument.

"Multiemployer Plan" shall mean a Plan which is a "multiemployer plan" as defined in Section 4001(a)(3) of ERISA.

"Net Operating Income" shall mean, with respect to any Real Property Asset, for the period of determination, the Rents derived from the customary operation of such Real Property Asset, less Operating Expenses attributable to such Real Property Asset, and shall include only the sum of (i) the Rents received or expected to be received, and earned in accordance with GAAP, pursuant to Leases in place under which the tenant is in occupancy of the premises demised thereunder (unless such tenant has not taken occupancy due to tenant improvement work or tenant build-out that is not the subject of dispute and is not yet completed) on the date of such calculation and under which Tenant is on a full rent paying basis and is not more than thirty (30) days delinquent in such rent payments, plus (ii) other income actually received and earned in accordance with GAAP with respect to such Real Property Asset, plus (iii) rent loss or business interruption insurance proceeds received or expected to be received during or relating to such period due to a casualty that has occurred prior to the date of calculation plus (iv) parking or other income, less Operating Expenses actually paid or payable on an accrual basis in accordance with GAAP attributable to such Real Property Asset during such period, as set forth on operating statements and schedules reasonably satisfactory to Agent. Net Operating Income shall be calculated in accordance with customary accounting principles applicable to real estate. Notwithstanding the foregoing, Net Operating Income shall not include (i) any condemnation or insurance proceeds (excluding rent loss or business interruption insurance proceeds as described above), (ii) any proceeds resulting from the sale, exchange, transfer, financing or refinancing of all or any portion of the Real Property Asset for which it is to be determined, (iii) amounts received from tenants as security deposits unless actually applied toward the payment of rent or additional rent in accordance with the terms of such tenant's lease, (iv) interest income and (v) any type of income otherwise included in Net Operating Income but paid directly by any tenant to a Person other than Borrower or a Loan Party or its

agents or representatives.

"Net Worth" shall mean, with respect to a Person, consolidated net worth as calculated in accordance with GAAP.

"New Manager" shall have the meaning provided in Section 5.21.

"Note" shall have the meaning provided in Section 2.04.

"Notice of Borrowing" shall have the meaning provided in Section 2.02.

"Obligations" shall mean all payment, performance and other obligations, liabilities and indebtedness of every nature of (i) Borrower and the REIT from time to time owing to Agent or any Co-Lender under or in connection with this Agreement or any other Loan Document, or (ii) the REIT and the other Loan Parties under or in connection with the Guaranty or any other Loan Documents.

"110 E. 42nd Street" shall mean that certain Real Property Asset located at 110 E. 42nd Street, New York, New York.

"Operating Entities" shall mean those partnership or limited liability companies set forth on Schedule 3, as such Schedule may be amended or supplemented from time to time, and any partnership or limited liability company, in which the Borrower or the REIT, own singly or together, a majority or all of the economic interest therein and either the Borrower or the REIT, either directly or indirectly, is the sole managing general partner or sole managing member.

"Operating Expenses" shall mean, with respect to any Real Property Asset, for any given period (and shall include the pro rata portion for such period of all such expenses attributable to, but not paid during, such period), all out-of-pocket expenses to be paid or payable, as determined in accordance with GAAP, by Borrower, the REIT or the applicable Loan Party during that period in connection with the operation of such Real Property Asset for which it is to be determined, including without limitation and without duplication:

(i) expenses for cleaning, repair, maintenance, decoration and painting of the such Real Property Asset (including, without limitation, parking lots and roadways), net of any insurance proceeds in respect of any of the foregoing;

(ii) wages (including overtime payments), benefits, payroll taxes and all other related expenses for Borrower's, the REIT's or other Loan Party's on-site personnel, up to and including (but not above) the level of the on-site manager, engaged in the repair, operation and maintenance of such Real Property Asset and service to tenants and on-site personnel engaged in audit and accounting functions performed by Borrower, the REIT or the applicable Loan Party;

(iii) management fees pursuant to the Management Agreement, but in no event less than the Minimum Management Fees. Such fees shall include all fees for management services whether such services are performed at such Real Property Asset or off-site;

(iv) the cost of all electricity, oil, gas, water, steam, heat, ventilation, air conditioning and any other energy, utility or similar item and the cost of building and cleaning supplies;

(v) the cost of any leasing commissions and tenant concessions or improvements payable by Borrower, the REIT or any Loan Party pursuant to any leases which are in effect for such Real Property Asset at the commencement of that period as such costs are recognized in accordance with GAAP, but in no event less than the Minimum Leasing Commission Reserves and Minimum Tenant Improvement Reserves with respect to such period, respectively;

(vi) rent, liability, casualty, fidelity, errors and omissions, liability, workmen's compensation and other insurance premiums;

(vii) legal, accounting and other professional fees and expenses;

(viii) the cost of all equipment to be used in the ordinary course of business, which is not capitalized in accordance with GAAP.

(ix) real estate, personal property and other taxes;

(x) advertising and other marketing costs and expenses;

(xi) the Minimum Capital Expenditure Reserves;

(xii) casualty losses to the extent not reimbursed by an independent third party; and

(xiii) if applicable, all common area charges, maintenance charges and other assessments or charges under any condominium regime.

Notwithstanding the foregoing, Operating Expenses shall not include (i) depreciation or amortization or any other non-cash item of expense; (ii) interest, principal, fees, costs and expense reimbursements of Agent and the Co-Lenders in administering the Loan; or (iii) any expenditure (other than leasing commissions, tenant improvement costs and replacement reserves as described above) which is properly treatable as a capital item under GAAP.

"OP Units" shall mean the Common OP Units and the Preferred OP Units.

"Other Assets" shall mean all Assets of a Person that are not Real Property Assets.

"Participant" shall have the meaning provided in Section 9.09(i).

"PBGC" shall mean the Pension Benefit Guaranty Corporation established under ERISA, or any successor thereto.

"Permitted Investments" shall mean, at any time, (a) fee simple or leasehold interests (which comply with the requirements of Section 4.27) owned entirely by the Borrower in real property located in the borough of Manhattan, City of New York, New York and improved by fully operational Class B or better office buildings, provided however, that fifteen percent (15%) of the Total Value of such Assets may be real property located outside of the borough of Manhattan, and (b) all of the categories of investments, as limited individually as a percentage of the Total Value of all of Borrower's consolidated Assets in the table below, which, when combined, shall be not in excess of the lesser of (i) thirty percent (30%) of Borrower's Net Worth as of the date of calculation, and (ii) fifteen percent (15%) of the Total Value of all of Borrower's consolidated Assets as of the date of calculation:

Permitted Investment	Maximum percentage of Total Value of Borrower's
Mortgages, deeds of trust, deeds to secure debt or similar instruments or receivables that are a Lien on real property which are improved by fully operational Class B or better office buildings and secure indebtedness evidenced by a note or bond (excluding the Bar Building Mortgages)	15%
Partnerships or limited liability companies in which the Borrower owns a majority of the economic interest and the Borrower, either directly or indirectly, is the sole managing general partner or the sole managing member and which partnership or limited liability company primarily owns real properties which are improved by fully operational Class B or better office buildings, and further, that the Borrower or a Subsidiary thereof is both the managing agent and leasing agent of such properties.	15%
Partnerships or limited liability companies in which the Borrower either (a) owns less than a majority of the economic interest and/or (b) is the not the sole managing general partner and/or (c) is not the sole managing member, but is the both the managing and leasing agent (either directly or indirectly) and which partnership or limited liability company primarily owns real properties which are improved by fully operational Class B or better office buildings	10%

For purposes of calculating the foregoing: (A) the amount of each Permitted Investment will be deemed to be the Book Value of such Asset; and (B) partnerships and limited liability companies for purposes of determining Permitted Investments shall not include partnerships and limited liability companies that are wholly owned and controlled by the Partnership, either directly or indirectly. Undeveloped land and land that is then being developed are also not Permitted Investments. In addition, Permitted Investments which relate to investments in (1) direct fee or leasehold interests on, (2) mortgages or other security instruments on, or (3) interests in entities owning, real property not located in the borough of Manhattan, City of New York, New York, shall not in the aggregate exceed, without duplication, fifteen percent (15%) of the Total Value of Borrower's consolidated Assets. Notwithstanding the foregoing, the Borrower's investment in (x) the 17 Battery Place Mortgage shall be deemed a Permitted Investment, and (y) SLG 17 Battery LLC's tenancy-in-common interest in 17 Battery Place, as more fully described in Schedule 13, shall be deemed a Permitted Investment, notwithstanding that in each case it may otherwise breach the limitations set forth above with respect to the maximum percentage of Borrower's Net Worth and Total Value of Borrower's consolidated Assets; provided, however, that the Permitted Investment limitations set forth above shall be deemed to have been utilized due to the 17 Battery Place Mortgage and tenancy-in-common interest, and any further investments in mortgages and partnership interests, shall be subject to the Permitted Investment limitations after consideration of the inclusion of the 17 Battery Place Mortgage and tenancy-in-common interests. Any modification, waiver or amendment of the limitations on Permitted Investments set forth above shall be subject to the consent or approval of the Majority Co-Lenders.

"Permitted Liens" shall have the meaning provided in Section 6.03.

"Person" shall mean and include any individual, partnership, joint venture, firm, corporation, limited liability company, association, company, trust or other enterprise or any government or political subdivision or agency, department or instrumentality thereof.

"Plan" means any employee benefit plan subject to the provisions of Title IV of ERISA or which is subject to the provisions of Section 412 of the Code or Section 302 of ERISA, for which Borrower, any other Loan Party or any member of either of their ERISA Controlled Group has any obligation or liability, or potential obligation or liability, whether direct or indirect.

"Plan Asset Entity" shall mean any "employee benefit plan" as defined in ERISA, any "plan" as defined in Section 4975 of the Code, and any entity any portion or all of the assets of which are deemed pursuant to United States Department of Labor Regulation Section 2510.3-101 or otherwise pursuant to ERISA or the Code to be, for any purpose of ERISA or Section 4975 of the Code, assets of any such "employee benefit plan" or "plan" which invests in such entity.

"Pledge Agreement" shall mean that certain Pledge Agreement dated the date hereof given by the Partnership to Agent as a Co-Lender and Syndication Agent.

"Policies" shall have the meaning provided in Section 5.03(c).

"Post-Closing Repairs" shall have the meaning provided in Section 5.27(b).

"Preferred OP Units" shall mean those limited partnership interests (if any) in the Partnership having a priority or preferred status (relative to all other limited partnership interests in the Partnership) with respect to distributions or returns of the holders of such units.

"Pro Rata Interest" shall mean the proportionate share of each Co Lender in the Loan, this Agreement, the other Loan Documents and the obligations to make Advances pursuant to the terms of this Agreement. Notwithstanding the foregoing, with respect to any approvals, consents or determinations that are to be made by the Majority Co-Lenders, Pro Rata Interest shall mean, with respect to each Current Co-Lender, a percentage equal to the amount of the Loan owned by such Current Co-Lender divided by the aggregate amount of the Loan owned by all of the Current Co-Lenders, multiplied by 100.

"Purchase Price" shall mean, with respect to any Real Property Asset, the actual purchase price paid for the Real Property Asset, including the actual outstanding principal balance of any mortgage liens to which title was taken subject or were granted to an independent third party lender or to the seller to finance the purchase of such Real Property Asset only, but excluding all closing costs, (e.g., transfer taxes, mortgage taxes, title insurance premiums) and excluding all closing adjustments.

"Qualifying Insurer" shall have the meaning provided in Section 5.03(c).

"Quarter" shall mean a period of ninety (90) days.

"Rating Agencies" shall mean both Standard & Poor's Rating Services and Moody's Investor Service, Inc. If either of such agencies discontinue its rating of Borrower or the REIT or its ratings of real estate investment trusts generally, Agent and the Majority Co-Lenders shall, within six (6) months of such discontinuance, agree upon another nationally recognized statistical ratings agency that assigns a rating to Borrower and the REIT ("Substitute Rating Agency"), and the term Rating Agencies shall include such Substitute Rating Agency. During any time that only one Rating Agency is assigning a rating to Borrower and the REIT, that agency's rating shall be used for all calculations under this Agreement.

"REIT" shall have the meaning set forth in the opening paragraph of this Agreement.

"Real Property Assets" shall mean the real property set forth on Schedules 2A and 2B, as such Schedules may be amended or supplemented from time to time, and all real property owned, directly or indirectly, wholly or partly, by Borrower, the REIT, any Operating Entity or any other Loan Party (including, without limitation, all Mortgaged Assets), subject to the conditions of Sections 6.10.

"Recourse Indebtedness" of any Person means all Indebtedness of

such Person and its Subsidiaries for which recourse for payment may be made against such Person for the obligations secured thereunder. For purposes of this definition, if only a portion of such Indebtedness is recourse to such Person the entire amount of such Indebtedness shall be deemed to be Recourse Indebtedness.

"Register" shall have the meaning provided in Section 9.09.

"Regulation D" shall mean Regulation D of the Federal Reserve Board as from time to time in effect and any successor to all or any portion thereof.

"Rents" shall mean all income, rents, additional rents, revenues, issues and profits (including all oil and gas or other mineral royalties and bonuses) and all pass-throughs and tenant's required contributions for taxes, insurance, maintenance costs, utilities, tenant improvements, leasing commissions, capital expenditures and other items accrued to Borrower or any Loan Party from the Real Property Assets (other than tenant security deposits).

"Reportable Event" has the meaning set forth in Section 4043(c)(3), (5), (6) or (13) of ERISA (other than a Reportable Event as to which the provision of 30 days' notice to the PBGC is waived under applicable regulations).

"Responsible Officer" means the Chairman of the Board, President, the Chief Operating Officer, the Chief Financial Officer, the Chief Executive Officer, the Executive Vice President or the Senior Vice President-Finance of the REIT.

"Restoration" shall have the meaning provided in Section 5.03(h).

"S&P" shall mean Standard & Poor's Rating Services.

"Scheduled Payment Date" shall mean the first Business Day of each calendar month.

"Security Instrument" shall mean that certain duly recorded blanket mortgage, mortgage deed, deed of trust, trust deed, security deed, deed to secure debt or other real estate security instrument of even date herewith given by Borrower and the REIT to Agent as Co-Lender and Syndication Agent, constituting a valid first mortgage lien on the good and marketable fee simple absolute and leasehold title, as applicable, to the Mortgaged Assets, subject to no other liens or encumbrances other than those as shall be approved by Agent and its counsel.

"17 Battery Place" shall mean that certain Real Property Asset located at 17 Battery Place, New York, New York.

"17 Battery Place Cash Collateral Agreement" means that certain Cash Collateral Agreement dated December 19, 1997 between 17 Battery Upper Partners and SLG 17 Battery LLC.

"17 Battery Place Mortgage" means that certain mortgage dated December 19, 1997 in the principal amount of $15,500,000.00 granted by 17 Battery Upper Partners to Borrower on 17 Battery Upper Partner's tenancy-in-common interest in 17 Battery Place, together with the note or notes secured thereby.

"17 Battery Place Tenancy Agreement" shall mean that certain tenancy-in-common agreement dated December 19, 1997 between SLG 17 Battery LLC and 17 Battery Upper Partners with respect to 17 Battery Place.

"17 Battery Place Transaction Documents" means the 17 Battery Place Tenancy Agreement, the 17 Battery Place Mortgage, the Agreement of Sale, the 17 Battery Place Cash Collateral Agreement and other documents evidencing, guaranteeing or securing the obligations under the foregoing documents.

"17 Battery Upper Partners" shall mean 17 Battery Upper Partners LLC, a New York limited liability company.

"Settlement Agreement" shall mean that certain settlement agreement dated June 28, 1996 between the Bar Building Mortgagor and The Travelers Insurance Company, as amended by that certain First Amendment to Settlement Agreement and First Amendment to Consent, Direction and Recognition Agreement, each dated June 28, 1996 between the Bar Building Mortgagor and The Travelers Insurance Company, as the same may be modified, amended or supplemented from time to time.

"Solvent" as to any Person shall mean that (i) the sum of the assets of such Person, at a fair valuation based upon appraisals or comparable valuation, will exceed its liabilities, including contingent liabilities, (ii) such Person will have sufficient capital with which to conduct its business as presently conducted and as proposed to be conducted and (iii) such Person has not incurred debts, and does not intend to incur debts, beyond its ability to pay such debts as they mature. For purposes of this definition, "debt" means any liability on a claim, and "claim" means (x) a right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured, or (y) a right to an equitable remedy for breach of performance if such breach gives rise to a payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured. With respect to any such Contingent Liabilities, such liabilities shall be computed in accordance with GAAP at the amount which, in light of all the facts and circumstances existing at the time, represents the amount which can reasonably be expected to become an actual or matured liability.

"Subordination of Management Agreement" shall mean a Subordination of Management Agreement substantially in the form set forth as Exhibit "F" hereto.

"Subsidiary" of any Person shall mean and include (i) any corporation Controlled by such Person, directly or indirectly through one or more intermediaries, and (ii) any partnership, association, joint venture or other entity Controlled by such Person, directly or indirectly through one or more intermediaries and (iii) all of the parties listed as Subsidiaries on Schedule 3.

"Substantial Asset" shall mean Real Property Assets of Borrower, the REIT and any other Loan Party which, in the aggregate, constitutes more than 15% of the consolidated Net Operating Income of Borrower, the REIT and the other Loan Parties, derived from all Real Property Assets.

"Substitute Rating Agency" shall have the meaning provided in the definition of "Rating Agencies".

"Syndication" shall have the meaning provided in Section 9.09(c).

"Syndication Agent" shall have the meaning provided in the opening paragraph of this Agreement.

"Taxes" shall have the meaning provided in Section 2.19.

"Telerate Page 3750" means the display designated as "Page 3750" on the Telerate Service (or such other page as may replace Page 3750 on that service or such other service as may be nominated by the British Bankers' Association as the information vendor for the purpose of displaying British Bankers' Association Interest Settlement Rates for U.S. Dollar deposits).

"Termination Event" shall mean (i) a Reportable Event, or (ii) the initiation of any action by Borrower, any member of Borrower's or any other Loan Party's ERISA Controlled Group or any other person to terminate a Plan or the treatment of an amendment to an ERISA Plan as a termination under ERISA, in either case, which would result in liability to Borrower, any Loan Party or any of their ERISA Controlled Group in excess of $500,000, (iii) the institution of proceedings by the PBGC under Section 4042 of ERISA to terminate an ERISA Plan or to appoint a trustee to administer any ERISA Plan, (iv) any partial or total withdrawal from a Multiemployer Plan which in either case, which would result in liability to Borrower, any Loan Party or any of their ERISA Controlled Groups in excess of $500,000 or (v) the taking of any action would require security to the Plan under Section 401(a)(29) of the Code.

"Title Searches" shall mean (i) reports of UCC, tax lien, judgment and litigation searches with respect to any Person and (ii) searches of title to each of the Real Property Assets.

"Total Mortgaged Asset Value" means the sum, without duplication, of the aggregate value of all Mortgaged Assets, calculated as of the date of determination as follows:

(i) for Mortgaged Assets that have been owned or leased for less than three (3) months prior to the date of determination, an amount equal to ninety-five percent (95%) of the Purchase Price for such Mortgaged Assets; and

(ii) for Mortgaged Assets that have been owned for more than three (3) months prior to the date of determination, the Adjusted NOI for such

Mortgaged Assets divided by 0.10; and

(iii) notwithstanding the foregoing, provided that 110 E. 42/nd/ Street is an Mortgaged Asset, until June 1, 1999 (the initial Appraisal Period), the value for 110 E. 42/nd/ Street shall be equal to $28,100,000.00; provided that, in the event of a material casualty to, or condemnation of, 110 E. 42/nd/ Street, the value of 110 E. 42/nd/ Street shall be calculated in accordance with clause (i) or (ii) above, as applicable; upon completion of restoration (or upon the expiration of the initial Appraisal Period), Borrower may deliver a then current Appraisal of 110 E. 42/nd/ Street reasonably satisfactory to the Majority Co-Lenders, and the value of 110 E. 42/nd/ Street for the Appraisal Period beginning on the date of such then current Appraisal shall be the appraised value pursuant to said Appraisal.

Provided, however, with respect to SLG 17 Battery LLC's tenancy-in-common interest in 17 Battery Place, the value for 17 Battery Place shall be calculated solely on the basis of the Purchase Price of, or the Adjusted NOI from, as applicable, the tenancy-in-common interest owned by the SLG 17 Battery LLC.

"Total Value" means the sum, without duplication, of (i) the Total Mortgaged Asset Value and (ii) the aggregate value of all Assets of Borrower on a consolidated basis that are not Mortgaged Assets, calculated as of the date of determination as follows:

(i) for Real Property Assets (other than Mortgaged Assets) that have been owned for less than three (3) months prior to the date of determination, an amount equal to ninety-five percent (95%) of the Purchase Price for such Real Property Assets;

(ii) for Real Property Assets (other than the Mortgaged Assets) that have been owned for more than three (3) months prior to the date of determination, the Adjusted NOI for such Real Property Assets divided by 0.10;

(iii) for Permitted Investments (other than the Mortgaged Assets and other Real Property Assets), the Book Value of such Assets; and

(iv) Borrower's unrestricted cash and Cash Equivalents as of the date of determination, calculated in accordance with GAAP.

"Transaction Costs" shall mean all costs and expenses paid or payable by Borrower or any other Loan Party relating to the Transactions including, without limitation, the costs and expenses of the Syndication Agent and Agent in conducting its due diligence with respect to the Transactions, financing fees, commitment fees, advisory fees, reasonable legal fees, reasonable accounting fees, and title insurance charges, whether directly or as reimbursement to the Syndication Agent or Agent.

"Transactions" shall mean each of the transactions contemplated by the Loan Documents.

"Transfer And Escrow Agreement" shall mean that certain Transfer and Escrow Agreement dated June 28, 1996 between the Bar Building Mortgagor, The Travelers Insurance Company and Chicago Title Insurance Company, as escrow agent, as the same may be modified, amended or supplemented.

"Transferee" shall have the meaning provided in Section 9.07.

"Type" shall mean the type of any portion of the Loan determined with respect to the interest option applicable thereto, i.e., the Base Rate Portion or a Eurodollar Portion.

"UCC Searches" shall have the meaning provided in Section 3.01(g).

"Unfunded Benefit Liabilities" means with respect to any Plan at any time, the amount (if any) by which (i) the present value of all benefit liabilities under such Plan as defined in Section 4001(a)(16) of ERISA, exceeds (ii) the fair market value of all Plan assets allocable to such benefits, all determined as of the then most recent valuation date for such Plan (on the basis of assumptions prescribed by the PBGC for the purpose of Section 4044 of ERISA).

"Unsecured Debt Rating" shall mean with respect to a Person, the rating assigned by the Rating Agencies to such Person's long term unsecured debt obligations; provided, however, that if such ratings are not equivalent, the lower rating shall apply.

"Unsecured Line of Credit" shall mean that existing $140,000,000.00 Senior Unsecured Line of Credit dated December 18, 1997, as amended by that certain Amendment to Senior Unsecured Revolving Line of Credit Agreement dated January 12, 1998, between the Partnership, the REIT, Lehman

individually and as Lender, Agent and Syndication Agent, BankBoston, N.A., individually as a Co-Lender and as Successor Agent for one or more Co-Lenders, Bank Leumi USA, as a Co-Lender and Deutsche Bank AG, New York and/or Cayman Islands Branches, as a Co-Lender and Deutsche Bank AG, New York Branch as Documentation Agent.

"West 44/th/ Street Property" shall mean 321 West 44/th/ Street, New York, New York.

SECTION 2. AMOUNT AND TERMS OF FACILITY.

Section 2.01 Advances. (a) Borrower acknowledges that on the date hereof, Lender has made the Initial Advance. Subject to and upon the terms and conditions herein set forth, Lender and each Co-Lender agrees, at any time and from time to time on and after the Closing Date and prior to the Maturity Date, to make its pro rata share of Advances to Borrower, which Advances shall not exceed in aggregate principal amount at any time outstanding, the Facility Amount at such time.

(b) Advances may be voluntarily prepaid pursuant to Section 2.11, but in no event shall any prepaid Advance be re-advanced. All outstanding Advances shall mature on the Maturity Date, without further action on the part of Agent or any Co-Lender.

(c) Each Advance of the Loan shall be in the minimum increments of One Million Dollars (U.S. $1,000,000.00). No Advance shall be made after the Maturity Date. There shall be no more than five (5) Eurodollar Portions outstanding at any one time.

(d) The obligation of Lender and each Co-Lender to make their pro rata share of each Advance of the Loan is several and not joint. Neither Agent, Lender nor any Co-Lender shall be liable for the failure of any other Co-Lender to fund its pro rata share of any Advance hereunder.

Notwithstanding the provisions of this Section 2.01 to the contrary, Borrower shall maintain a minimum of $15,200,000.00 in the form of borrowing capacity under this Agreement, as measured by the unfunded portion of the maximum Facility Amount (the "Minimum Available Capacity") which Borrower is eligible to borrow hereunder, to be used to acquire the West 44/th/ Street Property and upon said acquisition, the West 44/th/ Street Property will be added and subjected to the Lien of the Loan Documents in accordance with the terms of Section 2.21 hereof. Borrower shall maintain the Minimum Available Capacity until such time as the West 44/th/ Street Property is acquired and subjected to the Lien of the Loan Documents or such Minimum Available Capacity is used to acquire the West 44/th/ Street Property and subjected it to the Lien of the Loan Documents.

Section 2.02 Notice of Borrowing. Whenever Borrower desires an Advance hereunder, it shall give Agent at Agent's office prior to 10:00 A.M., New York City time, telex, facsimile, or telephonic notice (promptly confirmed in writing) of each Advance to be made hereunder, at least three (3) Business Days prior to such Advance being made. Each such notice (a "Notice of Borrowing") (i) shall be irrevocable, (ii) shall be executed on behalf of Borrower and the REIT by a Responsible Officer of Borrower or of the REIT, (iii) shall specify (w) the aggregate principal amount of the requested Advance and (x) the date of Borrowing (which shall be a Business Day), (iv) shall certify that, taking into account the amount of the requested Advance, to the best of Borrower's knowledge, no Default or Event of Default has occurred and is continuing, all provisions of the Loan Documents including, but not limited to the Financial Covenants, will be complied with after giving effect to such Advance, (v) shall contain a description of the intended use of the Advance and (vi) shall be in the form annexed hereto as Exhibit "A".

Section 2.03 Disbursement of Funds. No later than 2:00 P.M., New York City time on the date specified in each Notice of Borrowing, provided all conditions precedent to the making of such Advance have been complied with, Agent will make available to Borrower by disbursing to or at the direction of Borrower, or by depositing in Borrower's account at Agent's office, the amount of the requested Advance to the extent that Agent has received, in immediately available federal funds, each Co-Lender's pro rata share of such Advance from each Co-Lender.

Section 2.04 The Note. (a) Borrower's and the REIT's obligation to pay the principal of, and interest on, the Loan shall be evidenced by the promissory note (as amended, modified, supplemented, extended or consolidated, the "Note") duly executed and delivered by Borrower and the REIT substantially in the form of Exhibit "B" hereto in a principal amount equal to the Facility Amount with blanks appropriately completed in conformity herewith. The Note shall (i) be payable to the order of Agent, on behalf of the Co-Lenders, (ii) be dated the Closing Date, and (iii) mature on the Maturity Date. If required by a Co-Lender that is not a Co-Lender as of the date hereof, Borrower and the REIT hereby agree to execute a supplemental Note in the principal amount of such Co-Lender's pro rata share of the Facility Amount, substantially in the form of Exhibit "B" hereto, with blanks appropriately completed, and such supplemental Note shall (i) be payable to order of Agent, on account of such Co-Lender, (ii) be dated as of the Closing Date, and (iii) mature on the Maturity Date. Such supplemental Note shall

provide that it evidences a portion of the existing indebtedness hereunder and not any new or additional indebtedness of Borrower or the REIT.

(b) Agent is hereby authorized, at its option, (i) to endorse on the schedule attached to each Note (or on a continuation of such schedule attached to each such Note and made a part thereof) an appropriate notation evidencing the date and amount of each Advance evidenced thereby and the pro rata share thereof of each Co-Lender, and the date and amount of each principal and interest payment in respect thereof, and/or (ii) to record such Advances and such payments in its books and records. Such schedule or such books and records, as the case may be, shall be conclusive and binding on Borrower and the REIT absent manifest error, provided that the failure to make any notation shall not affect the obligations of Borrower, any Guarantor or the REIT or the rights of Lender or any Co-Lender hereunder or under the Guaranty.

Section 2.05 Interest. (a) Borrower and the REIT shall pay
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interest in respect of the outstanding principal amount of the Loan at a rate per annum which shall be equal to the sum of (i) the Eurodollar Rate Margin plus the Eurodollar Rate, or (ii) if the Eurodollar Rate is not available pursuant to Section 2.16 hereof, the Base Rate Margin plus the Base Rate.

(b) Intentionally Deleted.

(c) Intentionally Deleted.

(d) In the event that, and for so long as, any Event of Default shall have occurred and be continuing, the outstanding principal amount of the Loan and, to the extent permitted by law, overdue interest in respect of the Loan, shall bear interest at the Default Rate, calculated from the date such payment was due without regard to any grace or cure periods contained herein.

(e) Interest on the Loan shall accrue from and including the date of each Borrowing thereof to but excluding the date of any repayment thereof (provided that any Advance borrowed and repaid on the same day shall accrue one day's interest) and Borrower and the REIT shall pay such interest, (A) monthly in arrears on each Scheduled Payment Date, (B) on the date of any prepayment (on the amount prepaid), (C) on the Maturity Date (whether by acceleration or otherwise) and (D) after the Maturity Date, on demand.

(f) Interest on the outstanding principal balance of the Loan shall be calculated on the basis of a three hundred sixty (360) day year based on the actual number of days elapsed.

(g) This Agreement and the Note are subject to the express condition that at no time shall Borrower or the REIT be obligated or required to pay interest on the principal balance of the Loan at a rate which could subject Lender or any Co-Lender to either civil or criminal liability as a result of being in excess of the Maximum Legal Rate. If by the terms of this Agreement or the Loan Documents, Borrower or the REIT is at any time required or obligated to pay interest on the principal balance due hereunder at a rate in excess of the Maximum Legal Rate, the interest rate or the Default Rate, as the case may be, shall be deemed to be immediately reduced to the Maximum Legal Rate and all previous payments in excess of the Maximum Legal Rate shall be deemed to have been payments in reduction of principal and not on account of the interest due hereunder. All sums paid or agreed to be paid to Agent for the use, forbearance, or detention of the sums due under the Loan, shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full stated term of the Loan until payment in full so that the rate or amount of interest on account of the Loan does not exceed the Maximum Legal Rate of interest from time to time in effect and applicable to the Loan for so long as the Loan is outstanding.

Section 2.06 Intentionally Deleted.

Section 2.07 Intentionally Deleted.

Section 2.08 Intentionally Deleted.

Section 2.09 Extension of Maturity Date. (a) Intentionally

Deleted.

(b) Provided no Event of Default has occurred and is continuing under the Loan Documents, Borrower may request an extension of the initial Maturity Date for an additional six (6) month period by giving Agent written notice to extend on or prior to the date that is three (3) months prior to the initial Maturity Date. Such request shall be accompanied by a Compliance Certificate of Borrower as required pursuant to Section 5.01(b)(ii). Agent shall, upon approval or disapproval of the Co-Lenders, consent to or deny, as applicable, such request for extension. If Agent does not give written notice to Borrower of Co-Lender's acceptance or denial of such extension request on or prior to the date which is one (1) month prior to the initial Maturity Date, then Agent and the Co-Lenders shall be deemed to have denied Borrower's request for extension of the Maturity Date. If the Co-Lenders consent to the extension, the nonrefundable Extension Fee shall be payable by Borrower on account of its exercise of and Co-Lenders' granting of the extension option provided for herein within five (5) Business Days of Co-

Lenders' consenting to such extension. The payment of the Extension Fee, to the extent received, shall constitute payment by Borrower to each Co-Lender in the amount of such Co-Lender's pro rata share in such fee.

(c) Intentionally Deleted.

Section 2.10. Principal Payments. Borrower and the REIT shall pay the then outstanding principal balance of the Loan together with all accrued and unpaid interest thereon and all other sums then due and payable under this Agreement and the other Loan Documents on the Maturity Date.

Section 2.11 Voluntary Prepayments. Borrower and the REIT shall have the right to prepay the Loan, in whole or in part, from time to time on the following terms and conditions: (a) Borrower shall give Agent written notice (or telephonic notice promptly confirmed in writing), in the form attached hereto as Exhibit E, which notice shall be irrevocable, of its intent to prepay all or a portion of the Loan, at least three (3) Business Days prior to a prepayment, which notice shall specify the amount of such prepayment and what Loan Portions are being prepaid, (b) each prepayment shall be in an aggregate principal amount of One Million Dollars (U.S. $1,000,000.00) or any integral multiple of One Hundred Thousand U.S. Dollars (U.S. $100,000.00) in excess thereof, and (c) prepayments of Eurodollar Portions made pursuant to this Section on a date other than on the last day of the Interest Period applicable thereto shall be accompanied by payment of any Funding Costs which Lender and the Co-Lenders shall incur as a result of such early payment. If any such notice is given, the amount specified in such notice shall be due and payable on the date specified therein. Notwithstanding the provisions this Section 2.11 to the contrary, Borrower agrees that all payments made to reduce the outstanding principal balance of the Loan shall be deemed applied first to that portion of the outstanding principal balance of the Loan that is in excess of the amount secured by the Security Instrument.

Section 2.12 Intentionally Deleted.

Section 2.13 Application of Payments and Prepayments. Unless specifically provided otherwise, all payments and prepayments of the Loan, whether voluntary or otherwise, shall be applied first, to unpaid Fees, any reasonable out-of-pocket costs and expenses of Agent and any Co-Lender arising as a result of such prepayment and any Funding Costs, second, to pay any accrued and unpaid interest then payable with respect to the Loan, and third, to pay the outstanding principal amount of the Loan. Notwithstanding the provisions of this Section 2.13 to the contrary, Borrower and the REIT agree that in the event Agent enters into an Intercreditor Agreement, all payments and prepayments shall be applied in accordance with the terms of said Intercreditor Agreement.

Section 2.14 Method and Place of Payment.

(a) Except as otherwise specifically provided herein, all payments and prepayments under this Agreement and the Note shall be made to Agent not later than 1:00 p.m., eastern time, on the date when due and shall be made in lawful money of the United States of America in immediately available funds at Agent's Office, and any funds received by Agent after such time shall, for all purposes hereof, be deemed to have been paid on the next succeeding Business Day. Each payment (including all prepayments on account of principal and interest on the Loan), to the extent received, shall constitute payment by Borrower and the REIT to each Co-Lender in the amount of such Co-Lender's pro rata share of such payment.

(b) Whenever any payment to be made hereunder or under the Note or other Loan Documents shall be stated to be due on a day which is not a Business Day, the due date thereof shall be extended to the next succeeding Business Day and, with respect to payments of principal, interest shall be payable at the applicable rate during such extension.

(c) All payments made by Borrower hereunder, under the Note and the other Loan Documents, shall be made irrespective of, and without any deduction for, any setoff or counterclaims.

Section 2.15 Intentionally Deleted.

Section 2.16 Interest Rate Unascertainable, Increased Costs, Illegality. (a) In the event that Agent has reasonably determined, or has been notified by any Co-Lender that it has reasonably determined (which determination or notice shall, absent manifest error, be final and conclusive and binding upon all parties hereto) that:

(i) on any date for determining the Eurodollar Rate for any Interest Period, that by reason of any changes arising after the date of this Agreement affecting the interbank Eurodollar market, adequate and fair means do not exist for ascertaining the applicable interest rate on the basis provided for in the definition of the Eurodollar Rate; or

(ii) at any time, that the relevant Eurodollar Rate shall not represent the effective pricing to Lender or the Co-Lenders for funding

or maintaining the Loan, or Lender and the Co-Lenders shall incur increased costs or reduction in the amounts received or receivable hereunder, in any such case because of (x) any change since the date of this Agreement in any applicable law or governmental rule, regulation, guideline, order, request or directive or any interpretation thereof and including the introduction of any new law or governmental rule, regulation, guideline, order, request or directive (such as, for example, but not limited to, a change in official reserve requirements, but, in all events, excluding reserves required under Regulation D of the Federal Reserve Board to the extent included in the computation of the Eurodollar Rate), whether or not having the force of law and whether or not failure to comply therewith would be unlawful, and/or (y) other circumstances affecting Lender, any Co-Lender or the interbank Eurodollar market or the position of Lender or any Co-Lender in such market; or

(iii) at any time, that the making or continuance by it of the Loan at the appropriate Eurodollar Rate has become unlawful in order for Lender or any Co-Lender, in good faith, to comply with any law or governmental rule, regulation, guideline, order, request or directive (whether or not having the force of law and whether or not failure to comply therewith would be unlawful), or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or has become impracticable as a result of a contingency occurring after the date of this Agreement which materially and adversely affects the interbank Eurodollar market;

then, and in any such event, Agent shall, promptly after making such determination or receiving notice thereof from any Co-Lender, give notice by telephone promptly confirmed in writing to Borrower. Thereafter (x) in the case of clause (i) above, Borrower's right to request advances, and any Notice of Borrowing, given by Borrower with respect to any Borrowing which has not yet been made shall be deemed canceled and rescinded by Borrower, (y) in the case of clause (ii) above, Borrower and the REIT shall pay to Agent, upon such Agent's written demand therefor to Borrower, such additional amounts (in the form of an increased rate of interest, or a different method of calculating interest, or otherwise, as Agent shall reasonably determine) as shall be required to compensate Lender and any Co-Lender for such increased costs or reduction in amounts received or receivable hereunder (it being understood and agreed by the parties hereto that in the event that Agent shall fail to notify Borrower promptly after such determination, then Borrower and the REIT shall not be liable to pay to Agent any additional amounts relating to the period prior to Agent's notifying Borrower, and (z) in the case of clause (iii) above, Borrower shall take one of the actions specified in clause (b) below as promptly as possible and, in any event, within the time period required by law. The written demand provided for in clause (y) shall demonstrate in reasonable detail the circumstances giving rise to such demand and the calculation of the amounts demanded; provided that Borrower and the REIT shall not be obligated to pay an amount in excess of the amount directly attributable to the Loan hereunder (it being understood and agreed that Agent shall not be required to deliver any documentation substantiating such amounts).

(b) In the case that the Loan is affected by the circumstances described in clause (a)(ii) or (a)(iii) above, (i) if any Advance has not yet been made but is then the subject of a Notice of Borrowing, Borrower shall be deemed to have canceled and rescinded such notice, or (ii) if any principal amount under the Loan is then outstanding, such amount shall automatically convert into a Base Rate Portion.

(c) In the event that following the giving of notice based on the conditions described in clause (a)(i) above that such conditions no longer exist, Agent shall promptly give written notice thereof to Borrower, whereupon Borrower's right to request Advances from Agent and Lender's and any Co-Lender's obligation to make Advances shall be automatically restored.

(d) In the event that following its giving of a notice based on the conditions described in clause (a)(iii) above that such conditions no longer exist, Agent shall promptly give written notice thereof to Borrower, whereupon Borrower's right to request Advances from Agent and Lender's and any Co-Lender's obligation to make Advances shall be automatically restored.

(e) The amount of any increased costs or reductions in amounts referred to in Section 2.16(a)(ii) with respect to Lender and each Co-Lender shall be based on the assumption that Lender and any Co-Lender funded the Loan in the interbank Eurodollar market, although the parties hereto agree that Lender or Co-Lender may fund all or any portion of the Loan in any manner it independently determines. For purposes of any demand for payment made by Agent under Sections 2.16(a)(ii) or 2.18, in attributing Lender's or any Co-Lender's general costs relating to eurocurrency operations or its commitments or customers, or in averaging any costs over a period of time, Agent and the affected Co-Lender may use any reasonable attribution and/or averaging method which it deems appropriate, reasonable and practical. The agreements in this Section 2.16 shall survive the termination of this Agreement and the payment of the Note and all other Obligations.

Section 2.17 Funding Losses. Borrower and the REIT shall
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compensate Lender and the Co-Lenders for all reasonable losses, expenses and liabilities, to the extent actually incurred (including, without limitation, any loss, expense or liability incurred by Lender or any Co-Lender in connection with the liquidation or reemployment of deposits or funds required by it to make or carry the Loan), excluding loss of anticipated profits ("Funding Costs"), that Lender or any Co-Lender sustains: (a) if for any

reason (other than a default by Agent or any Co-Lender) a Borrowing of an Advance does not occur on a date specified therefor in a Notice of Borrowing (whether or not rescinded, canceled or withdrawn or deemed rescinded, canceled or withdrawn, pursuant to Section 2.16(a) or 2.16(b) or otherwise), (b) if any prepayment (whether voluntary or mandatory), repayment (including, without limitation, payment after acceleration) occurs on a date which is not the last day of an Interest Period, (c) if any prepayment is not made on any date specified in a notice of prepayment given by Borrower, or (d) as a consequence of any default by Borrower or the REIT in repaying the Loan when required by the terms of this Agreement. Borrower shall pay such Funding Costs on the date specified for the date of prepayment or repayment of any Eurodollar Portion of the Loan under clause (b) or (c) above, or within five (5) Business Days of written demand therefor by Agent with respect to clause (d) above. Calculation of all amounts payable to Agent under this Section 2.17 shall be made on the assumption that Lender and each Co-Lender has funded its relevant Eurodollar Portion through (i) the purchase of a Eurodollar deposit bearing interest at the Eurodollar Rate in an amount equal to the amount of such Eurodollar Portion, and (ii) the transfer of such Eurodollar deposit from an offshore office of Lender or any Co-Lender to a domestic office of Lender and the Co-Lenders in the United States of America, provided that Lender and the Co-Lenders may fund their Eurodollar Portion of the Loan in any manner that they in their sole discretion choose and the foregoing assumption shall only be made in order to calculate amounts payable under this Section 2.17. Agent shall provide Borrower with a statement detailing the basis for requesting such amounts and the calculation thereof, and such statement shall, absent manifest error, be final and conclusive and binding upon Borrower, the REIT and all Loan Parties). The agreements in this Section 2.17 shall survive the termination of this Agreement and the payment of the Note and all other Obligations.

Section 2.18 Increased Capital. If Agent shall have reasonably determined (or received notice from any Co-Lender of its reasonable determination that) in good faith, that compliance with any applicable law, rule, regulation, guideline, request or directive (whether or not having the force of law), other than increases in rates of taxation or other matters not directly related to increased capital costs, which shall be imposed, issued or amended from and after the date of this Agreement by any governmental authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on the capital or assets of Lender or any Co-Lender as a consequence of its commitments or obligations hereunder, then from time to time, upon Agent's delivering a written demand therefor to Borrower, setting forth its reasonable calculations, Borrower and the REIT shall pay to Agent on demand such additional amount or amounts ("Increased Capital Costs") as will compensate Lender and any Co-Lender for such reduction. Such calculations may use any reasonable averaging and attribution methods selected by Agent and the affected Co-Lenders. The agreements in this Section 2.18 shall survive the termination of this Agreement and the payment of the Note and all other Obligations.

Section 2.19 Taxes. (a) All payments made by Borrower or the REIT under this Agreement shall be made free and clear of, and without deduction or withholding for or on account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any governmental authority excluding, in the case of Lender or any Co-Lender, net income and franchise taxes imposed on Agent, Lender, any Co-Lender or Participant (all such non-excluded taxes, levies, imposts, deductions, charges or withholdings being hereinafter called "Taxes").

(b) Notwithstanding anything to the contrary herein, if at any time or from time to time Taxes are required to be deducted or withheld from the payments required to be made to Lender or any Co-Lender hereunder solely by reason of a Change in Law after the date hereof (other than as a result of any transfer or assignment of any of the obligations of Borrower hereunder), all payments required to be made by Borrower and the REIT hereunder (including any additional amounts that may be payable pursuant to this clause (b)) shall be increased to the extent required so that the net amount received by Lender or any Co-Lender after the deduction or withholding of Taxes imposed solely by reason of a Change in Law after the date hereof will be not less than the full amount that would otherwise have been receivable had no such deduction or withholding been imposed by reason of such Change in Law. In the event that this clause (b) shall be operative, Borrower and the REIT shall promptly provide to Agent evidence of payment of such Taxes to the appropriate taxing authority and shall promptly forward to Agent any official tax receipts or other documentation with respect to the payment of the Taxes as may be issued by the taxing authority. If Borrower or the REIT fails to pay any Taxes when due to the appropriate taxing authority or fails to remit to Agent the required receipts or other required documentary evidence, Borrower and the REIT shall indemnify Agent and any Co-Lender for any incremental taxes, interest or penalties that may become payable by Lender or Co-Lender as a result of any such failure. The agreements in this Section 2.19 shall survive the termination of this Agreement and the payment of the Note and all other Obligations.

(c) For purposes of this Section 2.19 the term "Change in Law" shall mean the following events: (i) the enactment of any legislation by the United States, including the enactment, amendment or modification of a treaty; (ii) the lapse, by its terms, of any law of the United States or any treaty to which the United States is a party; or (iii) the promulgation of any temporary or final regulation under the Code.

(d) Each Co-Lender that is not incorporated under the laws of the United States of America or a state thereof agrees that, prior to the first

date on which any payment is due to it hereunder, it will deliver to Borrower and Agent (i) two duly completed copies of United States Internal Revenue Service Form 1001 or 4224 or successor applicable form, as the case may be, certifying in each case that such Co-Lender is entitled to receive payments under this Agreement and the Note payable to it, without deduction or withholding of any United States federal income taxes, and (ii) an Internal Revenue Service Form W-8 or W-9 or successor applicable form, as the case may be, to establish an exemption from United States backup withholding tax. Each Co-Lender required to deliver to Borrower and Agent a Form 1001 or 4224 and Form W-8 or W-9 pursuant to the preceding sentence further undertakes to deliver to Borrower and Agent two further copies of the said letter and Form 1001 or 4224 and Form W-8 or W-9, or successor applicable forms, or other manner of certification, as the case may be, on or before the date that any such letter or form expires (which, in the case of the Form 4224, is the last day of each U.S. taxable year of the non-U.S. Co-Lender) or becomes obsolete or after the occurrence of any event requiring a change in the most recent letter and form previously delivered by it to Borrower and Agent, and such other extensions or renewals thereof as may reasonably be requested by Borrower or Agent, certifying in the case of a Form 1001 or 4224 that such Co-Lender is entitled to receive payments under this Agreement without deduction or withholding of any United States federal income taxes, unless in any such case an event (including, without limitation, any change in treaty, law or regulation) has occurred prior to the date on which any such delivery would otherwise be required which renders all such forms inapplicable or which would prevent such Co-Lender from duly completing and delivering any such letter or form with respect to it and such Co-Lender advises Borrower and Agent that it is not capable of receiving payments without any deduction or withholding of United States federal income tax, and in the case of a Form W-8 or W-9, establishing an exemption from United States backup withholding tax. Notwithstanding clause (a) of this Section 2.19, if a Co-Lender fails to provide a duly completed Form 1001 or 4224 or other applicable form and, under applicable law, in order to avoid liability for Taxes, Borrower is required to withhold on payments made to such Co-Lender that has failed to provide the applicable form, Borrower shall be entitled to withhold the appropriate amount of Taxes. In such event, Borrower shall promptly provide to such Co-Lender or Agent evidence of payment of such Taxes to the appropriate taxing authority and shall promptly forward to such Co-Lender or Agent any official tax receipts or other documentation with respect to the payment of the Taxes as may be issued by the taxing authority.

Section 2.20 Use of Proceeds and Limitations on Advances.

Borrower shall use the proceeds of the Loan solely (i) to pay down the entire outstanding principal balance of the Unsecured Line of Credit to zero, (ii) to acquire the fee and ground leasehold interests in the Acquisition Properties, (iii) to acquire Permitted Investments, (iv) to acquire the fee and ground leasehold interests in Real Property Assets wholly owned by the Borrower which are fully operational Class B (or better) office buildings, (v) for capital improvements, expansion or renovation to Real Property Assets of the type described in clause (iv) above, owned by Borrower or any Loan Party, (vi) for working capital or (vii) for the refinancing of mortgage debt encumbering properties of the type described in clause (iv) above.

Section 2.21 Addition of 321 West 44/th/ Street . Upon

Borrower's acquisition of the fee interest in the West 44/th/ Street Property, title to which shall be held solely in the name of the Partnership, the REIT or a wholly owned and controlled subsidiary or affiliate thereof, Borrower shall (a) use its best efforts to have the existing mortgages assigned to Lender and said mortgages shall be modified, consolidated and spread with the Lien of the Security Instrument and (b) add and subject the West 44/th/ Street Property to the Lien of the Loan Documents, including, without limitation, the Security Instrument, as a first lien thereon. Borrower shall deliver to Agent, among other things, the following with respect to the West 44/th/ Street Property:

i. An opinion of Borrower's or the appropriate Loan Party's counsel reasonably satisfactory to Agent stating (u) that subjecting the West 44/th/ Street Property to the Lien of the Security Instrument and the other Loan Documents does not and will not affect or impair the ability of Lender to enforce its remedies under the Security Instrument and Loan Documents, (v) that the Security Instrument and the other Loan Documents, as modified to encumber the West 44/th/ Street Property has been duly authorized, executed and delivered by Borrower and is valid and enforceable in accordance with their terms, subject to bankruptcy and equitable principles relating to the appropriate Loan Party, (w) that Borrower or the appropriate Loan Party is qualified to do business and in good standing under the laws of the jurisdiction where the West 44/th/ Street Property is located, (x) the encumbrance of the West 44/th/ Street Property with the Lien of the Security Instrument and the Loan Documents shall not cause a breach of, or a default under any agreement, document or instrument to which Borrower or the appropriate Loan Party is a party or to which it or its properties are bound or affected and (y) the anticipated modification of the Security Instrument will not affe trust or Borrower as a qualified real estate subsidiary under Section 856 of the Code.

ii. A certification by Borrower (x) that the certificates, opinions and other instruments which have been or are therewith delivered to or deposited with Agent in connection with the addition of the West 44/th/ Street Property conform to the requirements of this Agreement and the Security Instrument, (y) that all conditions precedent herein have been complied with and (z) that all conditions precedent to the modification of the Security Instrument contained in this Agreement have been fulfilled.

iii. Intentionally Deleted.

iv. Original executed counterparts of the agreement modifying the Security Instrument and the Loan Documents so as to encumber the West 44/th/ Street Property, including without limitation, financing statements or other documents necessary to grant or perfect Agent's first priority security interest on behalf of the Co-Lenders in the fixtures and personalty located thereon and the Rents derived therefrom.

v. An appropriate endorsement to the title insurance policy insuring the lien of the Security Instrument, as modified, on Borrower's or the appropriate Loan Party's ownership of the fee interest in the West 44/th/ Street Property, in form and substance satisfactory to Agent insuring that the Security Instrument, as modified, is a valid and enforceable first lien on the property intended to be insured thereby, provided, said Title Policy shall contain, among other things, a mortgage tax endorsement reasonably satisfactory to the Agent and the Majority Co-Lenders.

vi. Evidence reasonably satisfactory to Agent to the effect that the West 44/th/ Street Property and the use thereof are in substantial compliance with the applicable zoning, subdivision, and all other applicable federal, state or local laws and ordinances affecting the West 44/th/ Street Property, and that all building and operating licenses and permits necessary for the use and occupancy of the West 44/th/ ed and are in full force and effect.

vii. An Environmental Report dated within six (6) months prior to delivery which states that the West 44/th/ Street Property does not contain any Hazardous Substances or risk of contamination from off-site Hazardous Substance, and which otherwise shall be reasonably satisfactory to the Majority Co-Lenders.

viii. Payment of the Transaction Costs and other expenses incurred by Agent and all Co-Lenders including reasonable counsel fees and disbursements in connection with the modification of the Security Instrument and the other Loan Documents to include the West 44/th/ Street Property.

ix. A survey of the West 44/th/ Street Property certified to Agent, as Agent for the Co-Lenders, its successors and assigns, dated or redated within 60 days of the modification of the Security Instrument and the other Loan Documents to include the West 44/th/ Street Property, prepared by a land surveyor licensed in the State of New York pursuant to the then current New York standards for title surveys and otherwise reasonably satisfactory to Agent.

x. Payment of all recording charges, filing fees, taxes, or other expenses, including but not limited to intangibles taxes and documentary stamp taxes in connection with the recording of the modification of the Security Instrument and the other Loan Documents.

xi. A property inspection report reasonably satisfactory to Agent dated within six (6) months of delivery prepared by an independent licensed engineer reasonably satisfactory to Agent, prepared in accordance with Agent's then current guidelines for property inspection reports, stating, among other things, that the West 44/th/ Street Property is in good condition and repair and free of damage or waste and is in compliance with the Americans with Disabilities Act and is otherwise satisfactory to Agent.

xii. Original certificates and copies of policies of insurance required under the terms of the Security Instrument for the West 44/th/ Street Property.

xiii. Certified copies of all Leases with respect to the West 44/th/ Street Property and tenant estoppel certificates as reasonably required by Agent.

xiv. Certified copies of all subordination, attornment and non-disturbance agreements, if any, each of which shall be in form and substance reasonably satisfactory to Agent.

xv. Certified copies of all contracts and agreements relating to the management, leasing and operation of the West 44/th/ Street Property, if any, each of which shall be in form and substance reasonably satisfactory to Agent.

xvi. Such evidence as Agent reasonably deems necessary to indicate compliance with all requirements of Applicable Laws and such evidence as Agent may deem reasonably necessary or appropriate to evidence the availability of all utilities, including water, sewers, gas and electricity, as may be necessary for the use of the West 44/th/ Street Property as intended.

xvii. Intentionally Deleted.

xviii. Intentionally Deleted.

xix. A certification signed on behalf of the REIT and the Borrower by a Responsible Officer of the REIT certifying that all of the represenations and warranties contained in the Security Instrument and in the other Loan Documents, after giving effect to the addition of the West 44/th/ Street Property, are true and correct in all material respects with respect to the West 44/th/ Street Property and that to the best of its knowledge, there is then no Default or Event of Default hereunder.

xx. Borrower has otherwise complied with all conditions precedent to an Advance under Article III of this Agreement.

xxi. UCC Searches with respect to the West 44/th/ Street Property, Borrower, and the Loan Parties.

xxii. Such other certificates, opinions, documents and instruments relating to the modification of the Security Instrument and the other Loan Documents as reasonably requested by Agent and the Majority Co-Lenders and all corporate and other proceedings and all other documents (including, without limitation, all documents referred to herein and not appearing as exhibits hereto) and all legal matters in connection therewith shall be reasonably satisfactory in form and substance to Agent and the Majority Co-Lenders.

Section 2.22 Intentionally Deleted.

Section 2.23 Intentionally Deleted.

Section 2.24 Decision Making by Agent. Borrower and the REIT acknowledge and agree that all approvals, consents, requests, calculations, determinations, decisions, waivers, amendments and modifications that Agent is entitled to make under this Agreement are subject to the approval or consent of some or all of the Co-Lenders pursuant to the terms and conditions of this Agreement and the Intercreditor Agreement, whether or not such approval or consent is expressly stated herein or otherwise.

Section 2.25 Additional Assets. (a) If Borrower, the REIT or any subsidiary or affiliate thereof acquires any Real Property Asset after the date hereof, and all or a portion of any Advance hereunder is used in whole or in part to acquire such Real Property Asset, it shall notify Agent and together with such notification, deliver to Agent, with respect to such Real Property Asset, such items as Agent and the Co-Lenders may reasonably request, which information shall be current as of the date delivered, and shall include, without limitation, all the documentation and information required pursuant to Section 2.21 hereof. If such Real Property Asset is owned by a Loan Party other than a Guarantor or Borrower, such Loan Party shall execute and deliver a guaranty in the form of the Guaranty. Such Asset shall immediately be mortgaged to Lender and Lender shall have a perfected first Lien on such Asset. Borrower shall, with respect to said Real Property Asset, among other things, execute and deliver to Agent all documentation, certifications, reports and polices necessary to create and perfect said Lien and required in connection with the acquisition of the West 44/th/ Street Property.

(b) Upon Borrower's, the REIT's or any subsidiary or affiliate thereof acquisition of fee title to the Bar Building pursuant to the Bar Building Settlement Agreement, Borrower shall simultaneously with said acquisition (i) have the existing mortgages assigned to Lender, to the extent not owned by Lender, and said mortgages shall be modified, consolidated and spread with the Lien of the Security Instrument and (ii) add and subject the Bar Building to the Lien of the Loan Documents, including, without limitation, the Security Instrument, as a first lien thereon. Borrower shall also deliver to Agent, among other things, with respect to the Bar Building those terms required pursuant to Section 2.21(i), (iv), (v) and (viii) hereof.

(c) Upon Borrower's, the REIT's or any subsidiary or affiliate thereof acquisition of fee title to the 17 Battery Place, Borrower shall simultaneously with said acquisition add and subject 17 Battery Place to the Lien of the Loan Documents, including, without limitation, the Security Instrument, as a first lien thereon. Borrower shall also deliver to Agent, among other things, with respect to 17 Battery Place those terms required puthe REIT's or any subsidiary or affiliate thereof acquisition of any other material Asset, Borrower shall simultaneously with said acquisition notify Agent and deliver to Agent, with respect to said Asset, all documentation, reports and information as reasonably requested by Agent.

Section 2.26 Pro Rata Interests. The liabilities of each of the Co-Lenders are several and not joint, and each Co-Lenders' obligations to Borrower and the REIT under this Agreement shall be reduced by the amount of any Assignment and Assumption by such Co-Lender. No Co-Lender shall be responsible for the obligations of any other Co-Lender. Each Co-Lender shall be liable to Borrower and the REIT only for their respective proportionate shares of the Loan and of the obligations and liabilities of the Lender under the Loan Documents. If for any reason any of the Co-Lenders shall fail or refuse to abide by their obligations under this Agreement, the other Co-Lenders shall not be relieved of their obligations, if any, hereunder, including their obligations to make their pro rata share of any Advance on the date set forth for such Advance in the Notice of Borrowing; notwithstanding the foregoing, the Co-Lenders shall have the right, but not the obligation, at their sole option, to make the defaulting Co-Lender's pro rata share of such Advance pursuant to the terms of the Intercreditor Agreement.

SECTION 3. CONDITIONS PRECEDENT.

Section 3.01 Conditions Precedent to Initial Advance. The obligation of Lender and each Co-Lender to make the Initial Advance of the Loan (or its pro rata share thereof) on the Closing Date is subject to the satisfaction by Borrower and the REIT on the Closing Date of the following conditions precedent:

(a) Loan Documents.

(i) Loan Agreement. Borrower and the REIT shall have executed and delivered this Agreement to Agent.

(ii) The Note. Borrower and the REIT shall have executed and delivered to Agent the Note in the amount, maturity and as otherwise provided herein.

(iii) Security Instruments. Borrower and the REIT shall have executed and delivered to Agent, the Security Instrument.

(iv) Assignment of Leases and Rents. Borrower shall have executed and delivered to Agent, the Assignment of Leases and Rents.

(v) Environmental Indemnity. Borrower and the REIT shall have executed and delivered to Agent, the Environmental Indemnity.

(vi) Assignment of Management Agreement and Subordination of Management Fees. Borrower and the appropriate Loan Parties shall have executed and delivered to the Agent, the Assignment of Management Agreement and Subordination of Management Fees with respect to each Real Property Asset substantially in the form as set forth on Exhibit "F".

(vii) Certificate of Compliance. Borrower and the REIT shall have executed and delivered to Agent the Compliance Certificate.

(viii) Pledge Agreement. Borrower shall have executed and delivered to Agent the Pledge Agreement.

(ix) Security Agreement. Borrower shall have executed and delivered to Agent a Security Agreement with respect to the Partnership's pledge of its membership interest in SLG Graybar 2 LLC, together with a transaction statement of SLG Graybar 2 LLC, both in form and substance satisfactory to Agent.

(x) Ground Leases. If the Borrower or any other Loan Party owns a leasehold estate in a Real Property Asset, (A) a certified copy of the Ground Lease for such Real Property Asset, together with all amendments and modifications thereto and a recorded memorandum thereof, which Ground Lease shall be reasonably satisfactory in all material respects to Agent and all of the Co-Lenders in their sole discretion and (B) a Ground Lease estoppel, executed by the fee owner and ground lessor of such Real Property Asset, which estoppel shall be reasonably satisfactory to Agent and all of the Co-Lenders in their sole discretion.

(xi) Flood Plain. Agent shall have received reasonably satisfactory evidence indicating which of the Real Property Assets are in a flood plain.

(xii) Bar Building and 17 Battery Place Assignments. With respect to the Bar Building and 17 Battery Place, Borrower (A) shall have executed and delivered ting Notes and the original notes relating to the 17 Battery Place Mortgage, together with executed endorsements (or allonges) thereto, without recourse and (C) shall, with respect to the Bar Building, have executed and delivered an assignment of all its rights, title and interest in and to the Bar Building Settlement Agreement.

(xii) Intentionally Deleted.

(b) Opinions of Counsel.

Agent shall have received legal opinions, dated the Closing Date, from counsel to Borrower and the other Loan Parties, in form and substance reasonably satisfactory to the Agent and all of the Co-Lenders and their counsel, that, among other things: (i) this Agreement and the Loan Documents have been duly authorized, executed and delivered by Borrower and the REIT and the other Loan Parties (to the extent a party thereto) and are valid and enforceable against such Persons in accordance with their terms, subject to bankruptcy and equitable principles; (ii) that Borrower and the REIT are qualified to do business and in good standing under the laws of the jurisdiction in which it is organized, in which it is transacting business (subject to materiality exceptions) and where the Mortgaged Assets are located; (iii) the encumbrance of the Mortgaged Assets with the Liens of the Loan Documents shall not cause a breach of, or a default under, any agreement, document or instrument to which Borrower or the REIT is a party or to which they or any of their properties are bound or affected; (iv) the Pledge Agreement, and the relating Uniform Commercial Code Financing

Statements, will provide a valid and perfected Lien in the collateral intended to be secured thereby; and (v) the Loan does not violate any usury laws.

(c) Organizational Documents. The Agent shall have received (i) with respect to each Borrower which is a corporation, and the REIT, the certificate of incorporation of Borrower and the REIT, as ay of State as of a date not more than thirty (30) days prior to the Closing Date, together with a good standing certificate from such Secretary of State and a good standing certificate from the Secretaries of State (or the equivalent thereof) of each other State in which each Real Property Asset is located and in which each of them is required to be qualified to transact business, each to be dated a date not more than thirty (30) days prior to the Closing Date, (ii) with respect to each Borrower which is a limited partnership, the agreement of limited partnership of such Person, as amended, modified or supplemented to the Closing Date, certified to be true, correct and complete by a general partner of such Person, together with a copy of the certificate of limited partnership of such entity, as amended, modified or supplemented to the Closing Date, certified to be true, correct and complete by the appropriate Secretary of State as of a date not more than thirty (30) days prior to the Closing Date, together with a good standing certificate from such Secretary of State and a good standing certificate from the Secretary of State (or the equivalent thereof) of each other State in which each such Person is required to be qualified to transact business (subject to materiality exceptions), each to be dated not more than thirty (30) days prior to the Closing Date, (iii) with respect to each Borrower which is a general partnership, the agreement of general partnership of such Borrower, as amended, modified or supplemented to the Closing Date, certified to be true, complete and correct by a general partner of Borrower and such Loan Party, together with a copy of such Borrower's doing business certificate (or the equivalent thereof), as amended, modified or supplemented to the Closing Date, certified to be true, correct and complete by the appropriate Secretary of State (or County Clerk's or Recorder's Office, as the case may be) as of a date not more than thirty (30) days prior to the Closing Date, in each satisfactory to the Agent and all of the Co-Lenders, (iv) with respect to each Borrower which is a limited liability company, a copy of the articles of organization certified by the appropriate Secretary of State as of a date not more than thirty (30) days prior to the Closing Date, together with a copy of the operating agreement with all amendments thereto certified by the managing member and a good standing certificate from such Secretary of State and a good standing certificate from the Secretary of State (or the equivalent thereof) of each other State in which each such Person is required to be qualified to transact business (subject to materiality exceptions), each to be dated not more than thirty (30) days prior to the Closing Date, and (v) evidence reasonably satisfactory to the Syndication Agent and all of the Co-Lenders that the REIT is a "qualified real estate investment trust" and that each Borrower is a "qualified REIT subsidiary", each as defined in Section 856 of the Code, including, without limitation, copies of the REIT's or Borrower's real estate investment trust registration statement and all amendments thereto, any similar material documents filed with the United States Securities and Exchange Commission or issued in connection with a public offering of equity securities by Borrower or the REIT.

(d) Certified Resolutions, etc. Agent shall have received a certificate of the secretary or assistant secretary of Borrower and the REIT which is a corporation and dated the Closing Date, certifying (i) the names and true signatures of the incumbent officers of such Person authorized to sign the applicable Loan Documents, (ii) the by-laws of such Person as in effect on the Closing Date, (iii) the resolutions of such Person's board of directors approving and authorizing the execution, delivery and performance of all Loan Documents executed by such Person, and (iv) that there have been no changes in the certificate of incorporation of such Person since the date of the most recent certification thereof by the appropriate Secretary of State.

(e) Estoppel Certificates. Agent shall have received executed estoppel letters or certificates with respect to the Leases in effect at the Mortgaged Assets, which estoppel certificates shall be in form, substance and quantity acceptable to Agent.

(f) Insurance. Agent shall have received certificates of insurance demonstrating insurance coverage in respect of each of the Real Property Assets in compliance with the requirements contained herein.

(g) Lien Search Reports. Agent shall have received satisfactory (i.e., showing no Liens other than Permitted Liens) UCC searches, together with tax lien, judgment and litigation searches conducted in the appropriate jurisdictions by a search firm reasonably acceptable to the Agent and all of the Co-Lenders with respect to the Real Property Assets, Borrower, the REIT and the Bar Building Mortgagor.

(h) Payment of Taxes. Agent shall have received proof of payment of any required recording fees, mortgage recording taxes, documentary stamp taxes, intangibles taxes or other similar costs in connection with the making of such Advance.

(i) Intentionally Deleted.

(j) Financing Statements. Agent shall have received, within a reasonable time following the Closing Date, acknowledgment copies (or other evidence of filing) of each UCC-l financing statement signed by Borrower and/or the REIT, as debtor, naming Agent, as secured party, and filed in the appropriate offices of each jurisdiction where the Mortgaged Assets and Borrower are located.

(k) Title Insurance Policies; Surveys. Agent shall have received (i) Title Policies issued by a title insurance company satisfactory to Agent and all of the Co-Lenders insuring the lien of the Security Instruments on the Mortgaged Assets, in form and substance satisfactory to the Agent and all of the Co-Lenders insuring that the Security Instruments are a first lien on the good and marketable fee simple and/or leasehold title, as applicable, of Borrower to the Mortgaged Asset (other than the Bar Building and the Graybar Building), and that the Pledged Mortgages are a first lien on the good and marketable fee simple title and leasehold interest respectively of the Bar Building Mortgagor in the Bar Building and mortgagor under the 17 Battery Place Mortgage in 17 Battery Place, together with a "tie-in" and first loss endorsement satisfactory to the Syndication Agent and all of the Co-Lenders; each Title Policy shall contain, among other things, a mortgage tax endorsement satisfactory to the Agent and all of the Co-Lenders, and (ii) a recent survey with respect to each of the Mortgaged Assets certified to Agent, its successors and assigns, dated within 60 days prior to the Closing Date prepared by a land surveyor licensed in each of the states where the Real Property Assets are located pursuant to the then current New York standards for title surveys and otherwise reasonably satisfactory to the Agent and all of the Co-Lenders.

(l) Financial Statements . Agent shall have received the (i) consolidated audited financial statements of Borrower, the REIT and their Consolidated Subsidiaries for the most recently ended fiscal year of Borrower, REIT and their Consolidated Subsidiaries and the unaudited consolidated financial statemen quarter of Borrower, the REIT and their Consolidated Subsidiaries ending since the end of such entity's most recent fiscal year and (ii) for each Mortgaged Asset, annual operating statements and occupancy statements for Borrower's two (2) most recent fiscal year together with current year to date operating statements, current occupancy statements and the operating and capital budget approved by Borrower or the appropriate Loan Party for the current fiscal year. Such financial statements shall be reasonably acceptable to the Agent and all of the Co-Lenders in their sole discretion, and each such statement shall be certified by a Responsible Officer of the REIT on behalf of the REIT and the Borrower that, as of the Closing Date, except as reflected in any subsequent such statement which is delivered to the Agent and the Co-Lenders, there has been no material adverse change in the financial condition of any Mortgaged Asset or Borrower or the REIT since the date thereof.

(m) Environmental Matters. Agent shall have received Environmental Reports with respect to each of the Mortgaged Assets each of which shall be in form and substance reasonably satisfactory to the Agent and all of the Co-Lenders.

(n) Fees and Operating Expenses. Agent shall have received, for its and the Co-Lenders' account as applicable, all Transaction Costs, the Fees and other fees and expenses due and payable hereunder on or before the Closing Date, including, without limitation, the reasonable costs of all engineering, environmental and real property appraisal reports required to be delivered hereunder, if any, and the reasonable fees and expenses accrued through the Closing Date, of counsel retained by the Agent and the Co-Lenders.

(o) Consents, Licenses, Approvals, etc. Agent shall have received certified copies of all consents, licenses and approvals, if any, required in connection with the execution, delivery and performance Loan Documents, or in connection with any of the Transactions, and such consents, licenses and approvals shall be in full force and effect.

(p) Intentionally Deleted.

(q) Engineering Reports. Agent shall have received engineering reports dated within six (6) months of delivery prior to the Closing Date and in form and substance reasonably satisfactory to the Agent and all of the Co-Lenders with respect to each of the Mortgaged Assets; such engineering reports shall be prepared in accordance with Agent's then current guidelines for property inspection reports by licensed engineers reasonably acceptable to Agent and all of the Co-Lenders (the "Engineering Reports"), and such Engineering Report should state, among other things, that each Real Property Asset is in good condition and repair, free from damage and waste (reasonable wear and tear excepted) and is in substantial compliance with the Americans with Disabilities Act.

(r) Zoning Compliance. Agent shall have received evidence reasonably satisfactory to Agent and all of the Co-Lenders to the effect that each of the Real Property Assets and the use thereof are in substantial compliance with the applicable zoning, subdivision, and all other applicable federal, state or local laws and ordinances affecting each of the Real

Property Assets, and that all building and operating licenses and permits necessary for the use and occupancy of each of the Real Property Assets as an office building including, but not limited to, current certificates of occupancy, if available, have been obtained and are in full force and effect.

(s) Leases. Agent shall have received copies of all Leases with respect to each Real Property Asset which shall be reasonably satisfactory to Agent and all of the Co-Lenders.

(t) Contracts and Agreements. Agent shall have received certified copies of all contracts and agreements relating to the management, leasing and operation of each of the Real Property Assets, each of which shall be reasonably satisfacof the Real Property Assets.

(v) Representations and Warranties. Agent shall have received a certification by the REIT and Borrower certifying that all of the representations and warranties contained in this Agreement, the Security Instruments and the other Loan Documents are true and correct in all material respects with respect to each of the Real Property Assets, Borrower and each Loan Party, and that to the best of its knowledge, there is no Default or Event of Default hereunder.

(w) Certification as to Covenants. Agent shall have received a certificate of a Responsible Officer of the REIT on behalf of the REIT and Borrower together with other evidence reasonably satisfactory to Agent and all of the Co-Lenders that, as of the Closing Date, the Financial Covenants are complied with and, to the best of its knowledge, there is no Default or Event of Default hereunder.

(x) Certification as to Applicable Laws. Agent shall have received such evidence as Agent and all of the Co-Lenders shall deem reasonably necessary to establish (including, without limitation, a certificate of the REIT for itself and on behalf of Borrower) that each Real Property Asset is in material compliance with all Applicable Laws as of the Closing Date.

(y) Additional Matters. Agent shall have received such other certificates, opinions, documents and instruments relating to the Transactions as may have been reasonably requested by Agent and any of the Co-Lenders, and all corporate and other proceedings and all other documents (including, without limitation, all documents referred to herein and not appearing as exhibits hereto) and all legal matters in connection with the Transactions shall be reasonably satisfactory in form and substance to Agent and all of the Co-Lenders.

Section 3.02 Conditions Precedent to All Advances of the Loan.

The obligation of Lender and each Co-Lender to make any Advance under the Loan (including the initial Advance made on or after the Closing Date) (or its pro rata share thereof) is subject to the satisfaction on the date such Advance is made of the following conditions precedent:

(a) Representations and Warranties. The representations and warranties contained herein and in the other Loan Documents (other than representations and warranties which expressly speak only as of a different date) shall be true and correct in all material respects on such date both before and after giving effect to the making of such Advance.

(b) No Default or Event of Default. No Default or Event of Default shall have occurred and be continuing on such date either before or after giving effect to the making of such Advance.

(c) No Injunction. No law or regulation shall have been adopted, no order, judgment or decree of any governmental authority shall have been issued, and no litigation shall be pending or threatened in writing, which in the good faith judgment of Agent would enjoin, prohibit or restrain, or impose or result in the imposition of any material adverse condition upon, the making of the Advances or Borrower's, the REIT's or any Guarantor's obligation to pay (or Agent or any Co-Lender's rights to receive payment) of the Loan and the other Obligations or the consummation of the Transactions.

(d) No Material Adverse Effect. No event, act or condition shall have occurred and be continuing after the Closing Date which has had or could be reasonably expected to have a Material Adverse Effect.

(e) Notice of Borrowing. Agent shall have received a fully executed Notice of Borrowing in respect of the Advance to be made on such date, together with a fully executed Compliance Certificate incorporating all material modifications and changes required to be made to the most recent Compliance Certifpt for matters identified on Schedule 5 (as the same may be amended or supplemented), no actions, suits or proceedings shall be pending or threatened with respect to the Transactions or the Loan Documents, Borrower or any of the other Loan Parties, or with respect to the Real Property Assets, could be reasonably expected to, individually or in the

aggregate, result in a Material Adverse Effect and matters identified on Schedule 5, individually or in the aggregate, have not resulted in a Material Adverse Effect.

(g) Title Insurance Searches. Agent or any Co-Lender shall have received an updated Title Search and an appropriate endorsement to the title insurance policy showing no title exceptions that are reasonably unacceptable to Lender.

(h) Intentionally Deleted.

(i) Additional Matters. Agent shall have received such other certificates, opinions, documents and instruments relating to the subject Advance as may have been reasonably requested by or any of the Co-Lenders and all corporate and other proceedings and all other documents (including, without limitation, all documents referred to herein and not appearing as exhibits hereto) and all legal matters in connection with the subject Advance shall be reasonably satisfactory in form and substance to Agent and the Majority Co-Lenders.

Section 3.03 Acceptance of Borrowings. The acceptance by Borrower of the proceeds of each Advance shall constitute a representation and warranty by Borrower to Agent and the Co-Lenders that all of the conditions required to be satisfied under this Section 3 in connection with the making of such Advance have been satisfied.

Section 3.04 Sufficient Counterparts. All certificates, agreements, legal opinions and other documents and papers referred to in this Section 3, unless otherwise specified, shall be delivered to Agent and shall be reasonably satisfactory in form and substance to Agent and the Majority Co-Lenders (unless the form thereof is prescribed herein) and Borrower shall deliver sufficient counterparts of all such materials for distribution to Agent and each Co-Lender.

SECTION 4. REPRESENTATIONS AND WARRANTIES.

In order to induce Agent, Lender and the Co-Lender to enter into this Agreement and to make the Loan, Borrower and the other Loan Parties make the following representations and warranties, which shall survive the execution and delivery of this Agreement and the Note and the making of the Loan and each Advance:

Section 4.01 Organizational Status. (a) Each of Borrower and the other Loan Parties (i) is a duly organized and validly existing corporation or partnership or limited liability company, as the case may be, in good standing under the laws of the jurisdiction of its incorporation or formation, (ii) has all requisite power and authority, to own its property and assets (including the Real Property Assets), the Bar Building Loan Documents, the 17 Battery Place Transaction Documents and all other Permitted Investments and to transact the business in which it is engaged or presently proposes to engage (including this Transaction) and (iii) has duly qualified and is authorized to do business and is in good standing as a foreign corporation or foreign partnership, as the case may be, in every jurisdiction in which it owns or leases real property (including the Real Property Assets) or in which the nature of its business requires it to be so qualified.

(b) The Partnership is the sole member of (i) New Green 1140 Realty LLC, (ii) SLG 17 Battery LLC and (iii) SLG Graybar 2 LLC. SLG Graybar 2 LLC is the sole member of SLG Graybar LLC.

Section 4.02 Power and Authority. Each of Borrower and the other Loan Parties has the power and authority to execute, deliver and carry out the terms and provisions of each of the Loan Documents to which it is a party and has taken all necessary action, to authorize the execution, delivery and performance by it of such Loan Documents to which it is a party. Each of Borrower and the other Loan Parties has duly executed and delivered each such Loan Document, and each such Loan Document constitutes its legal, valid and binding obligation, enforceable in accordance with its terms, except as enforcement may be limited by applicable insolvency, bankruptcy or other laws affecting creditors' rights generally, and by general principles of equity whether enforcement is sought in a proceeding in equity or at law.

Section 4.03 No Violation. Neither the execution, delivery or performance by Borrower or any other Loan Party of the Loan Documents to which it is a party, nor the compliance by such Person with the terms and provisions thereof nor the consummation of the Transactions, (a) will contravene any applicable provision of any law, statute, rule, regulation, order, writ, injunction or decree of any court or governmental instrumentality having jurisdiction thereof, or (b) will conflict with or result in any breach of, any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of (or the obligation to create or impose) any Lien upon any of the Assets (including the Real Property Assets) of Borrower or any of the other Loan Parties (or of any partnership of which such Person is a partner) pursuant to the terms of any indenture, mortgage, deed of trust, agreement or other instrument to which Borrower or any of the other Loan Parties (or of any partnership of which such Person is a partner) is a party or by which it or

any of its Assets (including the Real Property Assets) is bound or to which it may be subject, or (c) will, with respect to Borrower or any Loan Party which is a partnership, violate any provisions of the partnership agreement of such Person (or the partnership agreement of any partnership of which such Person is a partner), or (d) will, with respect to the Borrower or any of the Loan Parties which is a corporation, violate any provision of the Certificate of Incorporation or By-Laws of such Person.

Section 4.04 Litigation. Except as set forth on Schedule 5, there are no actions, suits or proceedings, judicial, administrative or otherwise, pending or, to the best of Borrower's or the REIT's knowledge, threatened with respect to any of the Transactions or Loan Documents, Borrower, the REIT, or any of the other Loan Parties, or with respect to the Real Property Assets, that could be reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect. All matters set forth on Schedule 5 do not, individually or in the aggregate, result in a Material Adverse Effect.

Section 4.05 Financial Statements: Financial Condition; etc. The financial statements delivered to Lender were prepared in accordance with GAAP consistently applied and fairly present the financial condition and the results of operations of Borrower, the REIT and their Consolidated Subsidiaries and the Mortgaged Assets covered thereby on the dates and for the periods covered thereby, except as disclosed in the notes thereto and, with respect to interim financial statements, subject to normally recurring year-end adjustments and the absence of full footnote disclosures. Neither Borrower nor the REIT nor any of their Consolidated Subsidiaries has any material liability (contingent or otherwise) not reflected in such financial statements or in the notes thereto. There has been no adverse change in any condition, fact, circumstance or event that would make any such information inaccurate, incomplete or otherwise misleading or would affect Borrower's or the REIT's ability to perform its obligations under this Agreement.

Section 4.06 Solvency. On the Closing Date and after and giving effect to the Transactions, Borrower and the Loan Parties will be Solvent.

Section 4.07 Material Adverse Change. Since the date of the most recent audited financial statements delivered to Lender, there has occurred no event, act or condition, and to the best of Borrower's or the REIT's knowledge, there is no prospective event or condition which has had, or is in good faith anticipated to have, a Material Adverse Effect.

Section 4.08 Use of Proceeds; Margin Regulations. All proceeds of each Advance will be used by Borrower and the REIT only in accordance with the provisions of Section 2.20. No part of the proceeds of any Advance will be used by Borrower and the REIT to purchase or carry any Margin Stock or to extend credit to others for the purpose of purchasing or carrying any Margin Stock. Neither the making of any Advance nor the use of the proceeds thereof will violate or be inconsistent with the provisions of Regulations G, T, U or X of the Federal Reserve Board.

Section 4.09 Governmental Approvals. No order, consent, approval, license, authorization, or validation of, or filing, recording or registration with, or exemption by, any governmental or public body or authority, or any subdivision thereof, is required (or if required, has been obtained) to authorize, or is required in connection with (i) the execution, delivery and performance of any Loan Document or the consummation by Borrower or any Loan Party of any of the Transactions or (ii) the legality, validity, binding effect or enforceability against Borrower or any Loan Party of any Loan Document.

Section 4.10 Completed Repairs. All of the maintenance/repair and environmental conditions set forth on Schedule 16 hereto that are marked as completed or remediated on such Schedule have been completed or remediated as applicable.

Section 4.11 Tax Returns and Payments. Borrower, the REIT and the other Loan Parties have filed all tax returns required to be filed by them for which the filing date has passed and not been extended and has paid all taxes and assessments payable by such Persons which have become due, other than (a) those not yet delinquent or (b) those that are reserved against in accordance with GAAP which are being diligently contested in good faith by appropriate proceedings.

Section 4.12 ERISA. Neither Borrower nor any of the other Loan Parties has any Employee Benefit Plans other than those listed on Schedule 6. No accumulated funding deficiency (as defined in Section 412 of the Code or Section 302 of ERISA) or Reportable Event has occurred with respect to any Plan. As of the Closing Date, the Unfunded Benefit Liabilities do not in the aggregate exceed $1,000,000. Borrower, the other Loan Parties and each member of their respective ERISA Controlled Group have complied in all material respects with the requirements of ERISA and the Code and plan documents for each Employee Benefit Plan and Plans and are not in default (as defined in Section 4219(c)(5) of ERISA) with respect to payments to a Multiemployer Plan. With respect to any Multiemployee Plan, neither Borrower nor any of the other Loan Parties, nor any member of their respective ERISA

Controlled Groups is subject to any current or potential withdrawal liability or annual withdrawal liability payments, which, individually or in the aggregate, could materially adversely affect any of such Persons. To the knowledge of Borrower, the other Loan Parties and their respective ERISA Controlled Group, no Multiemployer Plan is or is likely to be in reorganization (within the meaning of Section 4241 of ERISA or Section 418 of the Code) or is insolvent (as defined in Section 4245 of ERISA). No material liability to the PBGC (other than required premium payments), the Internal Revenue Service, any Plan (other than routine contributions thereto) or any trust established under Title IV of ERISA (other than routine contributions thereto) has been, or is expected by Borrower, the other Loan Parties, or any member of their respective ERISA Controlled Group to be, incurred by Borrower, the other Loan Parties, or any member of their respective ERISA Controlled Group. Except as otherwise disclosed on Schedule 6 hereto, none of Borrower, the other Loan Parties, nor, any member of their respective ERISA Controlled Group has any liability (contingent or otherwise) with respect to any post-retirement benefit under any "welfare plan" (as defined in Section 3(1) of ERISA), other than liability for continuation coverage under Part 6 of Title I of ERISA or any corresponding state or local law or ordinance. No lien under Section 412(n) of the Code or 302(f) of ERISA or requirement to provide security under Section 401(a)(29) of the Code or Section 307 of ERISA has been or is reasonably expected by Borrower, the other Loan Parties, or any member of their respective ERISA Controlled Group to be imposed on the assets of Borrower, the other Loan Parties, or any member of their respective ERISA Controlled Group. Neither Borrower nor any other Loan Party is a party to any collective bargaining agreement which could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect. Neither Borrower nor any Loan Party nor any of their ERISA Controlled Group has engaged in any transaction prohibited by Section 406 of ERISA or Section 4975 of the Code for which a statutory or administrative exemption was not available, which could result in any material liability being imposed on any such Person or in a Material Adverse Effect. As of the Closing Date and throughout the term of the Loan, neither Borrower nor any other Loan Party is or will be an "employee benefit plan" as defined in Section 3(3) of ERISA, which is subject to Title I of ERISA, and none of the assets of Borrower or any other Loan Party will constitute "plan assets" of one or more such plans for purposes of Title I of ERISA. As of the Closing Date and throughout the term of the Loan, neither Borrower nor any other Loan Party is or will be a "governmental plan" within the meaning of Section 3(3) of ERISA and neither Borrower nor any other Loan Party will be subject to state statutes applicable to Borrower or such Loan Party regulating investments and fiduciary obligations, of Borrower or any Loan Party wivernmental plans.

Section 4.13 Closing Date Transactions. On the Closing Date and immediately prior to the making of the initial Advance hereunder, the Transactions (other than the making of the Loan) intended to be consummated on the Closing Date will have been consummated substantially in accordance with the terms of the relevant Loan Documents and in accordance with all Applicable Laws. All consents and approvals of, and filings and registrations with, and all other actions by, any Person (other than Agent, Syndication Agent or any Co-Lender) required in order to make or consummate such Transactions have been obtained, given, filed or taken and are or will be in full force and effect.

Section 4.14 Representations and Warranties in Loan Documents. All representations and warranties made by Borrower, the REIT or any other Loan Party in the Loan Documents are true and correct in all material respects.

Section 4.15 True and Complete Disclosure. All factual information (taken as a whole) furnished by or on behalf of Borrower, the REIT or any other Loan Party in writing to Agent and/or the Syndication Agent on or prior to the Closing Date, for purposes of or in connection with this Agreement or any of the Transactions (the "Furnished Information") is, and all other such factual information (taken as a whole) hereafter furnished by or on behalf of Borrower or any other Loan Party in writing to Agent and/or the Syndication Agent will be, true, accurate and complete in all material respects and will not omit any material fact necessary to make such information (taken as a whole) not misleading on the date as of which such information is dated or furnished. As of the Closing Date, there are no facts, events or conditions directly and specifically affecting Borrower, the REIT or any other Loan Party known to Borrower or the REIT or any other Loan Party and not disclosed to Agent and the Syndication Agent, in the Furnished Information, in the Schedules attached hereto or in the other Loan Documents, which, individually or in the aggregate, have or could be reasonably expected to have a Material Adverse Effect.

Section 4.16 Ownership of Real Property Assets; Existing Security Instruments. Borrower or the Operating Entities have good and marketable fee simple or leasehold title in all of the Real Property Assets (other than the Bar Building; with respect to 17 Battery Place, such title is in the form of a tenancy-in-common interest as more fully described in the 17 Battery Place Tenancy Agreement) and good title to all of their personal property subject to no Lien of any kind except for Permitted Liens. The Bar Building Mortgagor has a good and marketable fee simple or leasehold title and leasehold estate, respectively, in the Bar Building. Borrower, or a Guarantor, as applicable, has good and marketable fee simple title to all of the Mortgaged Assets. As of the date of this Agreement, there are no options or other rights to acquire any of the Mortgaged Assets that run in favor of any Person and there are no mortgages, deeds of trust, indentures, debt instruments or other

agreements creating a Lien against any of the Mortgaged Assets other than Permitted Liens.

Section 4.17 No Default. To the best of Borrower's and the other Loan Party's knowledge, no Default or Event of Default exists under or with respect to any Loan Document. To the best knowledge of Borrower and the other Loan Parties, no Bar Building Event of Default exists. To the best knowledge of Borrower and the other Loan Parties, neither Borrower, any Loan Party nor any of their respective Subsidiaries or the Bar Building Mortgagor or any party under the 17 Battery Place Mortgage is in default in any material respect beyond any applicable grace period under or with respect to any other material agreement, instrument or undertaking to which it is a party or by which it or any of its properties or assets is bound in any respect, the existence of which default could result in a Material Adverse Effect. To the best knowledge of Borrower and the other Loan Parties, neither the Bar Building Mortgagor nor the Bar Building is subject to or is an asset in any bankruptcy or similar insolvency proceeding. To the best knowledge of Borrower and the other Loan Parties, no default has occurred under any of the terms, covenants or provisions of the Graybar Leases and the Graybar Operating Lease and Borrower and the other Loan Parties know of no event which, but for the passage of time or the giving of notice, or both, would constitute an event of default under the Graybar Leases and/or the Graybar Operating Lease.

Section 4.18 Licenses, etc. Borrower or the applicable Loan Party has obtained and holds in full force and effect, all material franchises, trademarks, tradenames, copyrights, licenses, permits, certificates, authorizations, qualifications, accreditations, easements, rights of way and other rights, consents and approvals which are necessary for the operation of the Real Property Assets and their respective businesses as presently conducted.

Section 4.19 Compliance With Law. Borrower, the REIT and each Loan Party is in compliance with all Applicable Laws and other laws, rules, regulations, orders, judgments, writs and decrees, noncompliance with which would likely result in a Material Adverse Effect.

Section 4.20 Brokers. Borrower, the REIT, each Loan Party, Agent and each Co-Lender hereby represent and warrant that no brokers or finders were used by them in connection with procuring the financing contemplated hereby and Borrower and the REIT hereby agree to indemnify and save Agent and each Co-Lender harmless from and against any and all liabilities, losses, costs and expenses (including attorneys' fees or court costs) suffered or incurred by Agent or any Co-Lender as a result of any claim or assertion by any party claiming by, through or under Borrower, the REIT or any Loan Party, that it is entitled to compensation in connection with the financing contemplated hereby and Agent and each Co-Lender hereby agrees to indemnify and save Borrower harmless from and against any and all liabilities, losses, costs and expenses (including attorneys' fees or court costs) suffered or incurred by Borrower as a result of any claim or assertion by any party claiming by, through or under Agent or any Co-Lender that it is entitled to compensation in connection with the financing contemplated hereby.

Section 4.21 Judgments. There are no judgments, decrees, or orders of any kind against Borrower or any Loan Party unpaid of record which would materially and adversely affect the ability of Borrower or any Loan Party to comply with its obligations under the Loan or this Agreement in a timely manner. There are (i) no federal tax claims or liens assessed or filed against Borrower or any Loan Party or, to the best of Borrower's knowledge, against 17 Battery Upper Partners, (ii) to the best of Borrower's knowledge, none of the Bar Building Mortgagor, the Bar Building, 17 Battery Upper Partners or 17 Battery Place is subject to or is an asset in any bankruptcy or similar insolvency proceeding, and (iii) there are no material judgments against Borrower or any Loan Party unsatisfied of record or docketed in any court of the States in which the Real Property Assets are located or in any other court located in the United States and no petition in bankruptcy or similar insolvency proceeding has ever been filed by or against Borrower or any Loan Party, and neither Borrower nor any Loan Party has ever made any assignment for the benefit of creditors or taken advantage of any insolvency act or any act for the benefit of debtors.

Section 4.22 Property Manager. As of the date hereof, the manager of the Real Property Assets is the Manager. The Manager is an Affiliate of the REIT. The leasing agent for the Real Property Assets and the Bar Building is the Manager.

Section 4.23 Assets of the REIT. The sole assets of the REIT are its general partnership interest in the Borrower, such other assets that may be incidental to or required in connection with the ownership of such general partnership interest, and as set forth on Schedule 8. The REIT is the sole general partner of the Borrower.

Section 4.24 REIT Status. The REIT is a "qualified real estate investment trust", as defined in Section 856 of the Code.

Section 4.25 Operations. The REIT conducts its business only

through Borrower, except as described on Schedule 9A and the Borrower conducts its business only in its own name, except as described on Schedule 9B.

Section 4.26 Stock. The REIT lists all of its outstanding shares of stock on the New York Stock Exchange.

Section 4.27 Ground Leases. With respect to those Real Property Assets in which Borrower or any other Loan Party or, in the case of the Bar Building, the Bar Building Mortgagor, holds a leasehold estate in the entire Real Property Asset under a ground lease, with respect to each such ground lease (i) Borrower or the respective Loan Party or the Bar Building Mortgagor is the owner of a valid and subsisting interest as tenant under the Ground Lease; (ii) the Ground Lease is in full force and effect, unmodified and not supplemented by any writing or otherwise; (iii) all rent, additional rent and other charges reserved therein have been paid to the extent they are payable to the date hereof; (iv) the remaining term of the Ground Lease, including all extension options that may be unilaterally exercised by the tenant thereunder as of right, is at least ten (10) years after the Maturity Date; (v) Borrower or the respective Loan Party or the Bar Building Mortgagor enjoys the quiet and peaceful possession of the estate demised thereby, subject to any sublease; (vi) to the best knowledge of the Borrower and/or the applicable Loan Party, the Borrower or the respective Loan Party or the Bar Building Mortgagor is not in default under any of the terms thereof and there are no circumstances which have occurred and, with the passage of time or the giving of notice or both, would constitute an event of default thereunder; (vii) to the best knowledge of the Borrower and/or the applicable Loan Party, the lessor under the Ground Lease is not in default under any of the terms or provisions thereof on the part of the lessor to be observed or performed; (viii) to the best knowledge of the Borrower and/or the applicable Loan Party, the lessor under the Ground Lease has satisfied all of its repair or construction obligations, if any, to date pursuant to the terms of the Ground Lease; (ix) Schedule 10 lists all the Ground Leases to which any of the Real Property Assets are subject and all amendments and modifications thereto; and (x) the lessor idule 10 for each Ground Lease is the current lessor under the related Ground Lease.

Section 4.28 Guarantors. Each Guarantor, if any, is a wholly owned Subsidiary of Borrower.

Section 4.29 Status of Property. With respect to each Real Property Asset, except as set forth on Schedule 12:

(a) No portion of any improvement on the Real Property Asset is located in an area identified by the Secretary of Housing and Urban Development or any successor thereto as an area having special flood hazards pursuant to the National Flood Insurance Act of 1968 or the Flood Disaster Protection Act of 1973, as amended, or any successor law, or, if located within any such area, Borrower or the respective Loan Party has obtained and will maintain the insurance prescribed in Section 5.03 hereof.

(b) Borrower or the respective Loan Party has obtained all necessary certificates, licenses and other approvals, governmental and otherwise, necessary for the operation of the Real Property Asset and the conduct of its business and all required zoning, building code, land use, environmental and other similar permits or approvals, all of which are in full force and effect as of the date hereof.

(c) To the best knowledge of Borrower or the REIT, the Real Property Asset and the present and contemplated use and occupancy thereof are in full compliance with all applicable zoning ordinances (without reliance upon grandfather provisions or adjoining or other properties), building codes, land use and environmental laws, laws relating to the disabled (including, but not limited to, the ADA) and other similar laws.

(d) The Real Property Asset is served by all utilities required for the current or contemplated use thereof. All utility service is provided by public utilities and the Real Property Asset has accepted or is equipped to accept such utility service.

(e) All public roads and streets necessary for service of and access to the Real Property Asset for the current or contemplated use thereof have been completed, are serviceable and all-weather and are physically and legally open for use by the public.

(f) The Real Property Asset is served by public water and sewer systems or, if the Real Property Asset is not serviced by a public water and sewer system, such alternate systems are adequate and meet, in all material respects, all requirements and regulations of, and otherwise complies in all material respects with, all Applicable Laws.

(g) Neither Borrower nor the respective Loan Party is aware of any latent or patent structural or other significant deficiency of the Real Property Asset. The Real Property Asset is free of damage and waste that would materially and adversely affect the value of the Real Property Asset, is in good repair and there is no deferred maintenance other than ordinary wear and tear. The Real Property Asset is free from damage caused by fire or other casualty. There is no pending or, to the actual knowledge of Borrower or the REIT, threatened condemnation proceedings affecting the Real Property Asset, or any part thereof.

(h) To the best knowledge of Borrower or the REIT, all costs and expenses of any and all labor, materials, supplies and equipment used in the construction of the improvements on the Real Property Asset have either (i) been paid in full, (ii) are not yet due and payable or (iii) are being contested in good faith by Borrower or the applicable Loan Party. Subject to Borrower's or the respective Loan Party's right to contest as set forth in any Permitted Mortgage Debt related to such Real Property Asset, there are no mechanics' or similar liens or claims that have been filed and recorded for work, labor or materials that affects the Real Property Asset and that are or may be liens prior to, or coordinate with, the lien of this Security Instrument.

(i) Borrower or the respective Loan Party has paid in full for, and is the owner of, all furnishings, fixtures and equipment (other than tenants' property) used in connection with the operation of the Real Property Asset, free and clear of any and all security interests, liens or encumbrances, except for Permitted Liens and purchase money financing which is not a Lien on the fee title of such Real Property Asset and is incurred in the ordinary course of business.

(j) All liquid and solid waste disposal, septic and sewer systems located on the Real Property Asset are in a good and safe condition and repair and in compliance with all Applicable Laws.

(k) All amenities, access routes or other items that materially benefit the Real Property Asset are under direct control of Borrower or the respective Loan Party, constitute permanent easements that benefit all or part of the Real Property Asset or are public property, and the Real Property Asset, by virtue of such easements or otherwise, is contiguous to a physically open, dedicated all weather public street, and has the necessary permits for ingress and egress.

(l) There are no delinquent taxes, ground rents, water charges, sewer rents, assessments (including assessments payable in future installments), insurance premiums, leasehold payments, or other outstanding charges affecting the Real Property Asset.

(m) The Real Property Asset is assessed for real estate tax purposes as one or more wholly independent tax lot or lots, separate from any adjoining land or improvements not constituting a part of such lot or lots, and no other land or improvements is assessed and taxed together with the Real Property Asset or any portion thereof.

(n) Subject to the provisions of the Security Instrument which shall govern with respect to Mortgaged Assets, with respect to Leases which relate to Real Property Assets owned by Borrower or the respective Loan Party, (i) Borrower or the respective Loan Party is the sole owner of the entire lessor's interest in the Leases; (ii) to the best knowledge of Borrower or the REIT, the Leases are valid and enforceable; (iii) the terms of all alterations, modifications and amendments to the Leases are reflected in the certified occupancy statement delivered to and approved by Agent; (iv) with respect to the Mortgaged Assets none of the rents reserved in the Ledvance; (vi) the premises demised under the Leases have been completed and the tenants under the Leases have accepted the same and have taken possession of the same on a rent-paying basis; (vii) to the best knowledge of Borrower or the REIT, there exist no offsets or defenses to the payment of any portion of the rents; (viii) with respect to Mortgaged Assets no Lease contains an option to purchase, right of first refusal to purchase, or any other similar provision; (ix) no person or entity has any possessory interest in, or right to occupy, the Real Property Asset except under and pursuant to a Lease; (x) with respect to Mortgaged Assets, there are no prior assignments, pledges, hypothecations or other encumbrances of any Leases or any portion of rents due and payable or to become due and payable thereunder which are presently outstanding; and (xi) the Real Property Asset is not subject to any Lease other than the Leases described in the rent rolls delivered pursuant to Section 5.01(a).

(o) No portion of the Real Property Asset has been or will be purchased with proceeds of any illegal activity.

(p) All contracts, agreements, consents, waivers, documents and writings of every kind or character at any time to which the Borrower or any Loan Party is a party to be delivered to Agent pursuant to any of the provisions hereof are valid and enforceable against the Borrower and such Loan Party and, to the best knowledge of Borrower, are enforceable against all other parties thereto, and in all respects are what they purport to be and, to the best knowledge of Borrower, to the extent that any such writing shall impose any obligation or duty on the party thereto or constitute a waiver of any rights which any such party might otherwise have, said writing shall be valid and enforceable against said party in accordance with the terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization or similar laws affecting the rights of creditors generally.

Section 4.30 Survival. The foregoing representations and warranties shall survive the execution and delivery of this Agreement and shall continue in full force and effect until the indebtedness evidenced by the Note has been fully paid and satisfied and Lender and the Co-Lenders have no further commitment to advance funds hereunder. The request for any Advance under this Agreement by Borrower or on its behalf shall constitute a certification that the aforesaid representations and warranties are true and correct in all material respects as of the date of such request, except to the extent any such representation or warranty shall relate solely to an earlier date.

SECTION 5. AFFIRMATIVE COVENANTS.

Borrower and the REIT covenant and agree that on and after the Closing Date and until the Obligations (other than inchoate indemnity and expense reimbursement obligations) are paid in full:

Section 5.01 Financial Reports. (a) Borrower will furnish to Agent: (i) annual audited consolidated financial statements of the REIT and its Consolidated Subsidiaries prepared in accordance with GAAP within 90 days (or within up to 105 days if Borrower receives such an extension from the Securities and Exchange Commission) of the end of the REIT's fiscal year prepared by nationally recognized independent public accountants (which accountant's opinion shall be unqualified) including the related consolidated statements of income, cash flow and retained earnings and setting forth in comparative form the figures for the corresponding prior year period; (ii) within 45 days after the close of each quarterly accounting period in each fiscal year, the management prepared consolidated balance sheet of each of the REIT and its Consolidated Subsidiaries and each of Borrower and its Consolidated Subsidiaries, as of the end of such quarterly period and the related consolidated statements of income, cash flow and retained earnings for such quarterly period and for the elapsed portion of the fiscal year ended with the last day of such quarterly period, each prepared in accordance with GAAP (subject to non-material audit adjustments and the absence of full footnote disclosures); (iii) quarterly and annual operating statements (prepared on a basis consistent with that used in the preparation of the GAAP aforesaid financial statements of the REIT) for each Mortgaged Asset, including a comparison with the most recent Annual Operating Budget, within 45 days of the end of each calendar quarter, (iv) annual unaudited consolidated financial statements of Borrower and its Consolidated Subsidiaries prepared in accordance with GAAP (subject, in the case of unaudited statements, to non-material audit adjustments and the absence of full footnote disclosures) within 90 days of the end of Borrower's fiscal year and, if audited, prepared by independent public accountants (which accountant's opinion shall be unqualified), including the related consolidated statements of income, cash flow and retained earnings and setting forth in comparative form the figures for the corresponding prior year period; and (v) copies of all of the REIT's and Borrower's quarterly and annual filings with the Securities and Exchange Commission and all shareholder reports and letters to the REIT's and Borrower's shareholders or partners, as the case may be and all other publicly released information promptly but in no event later than thirty (30) days after their filing or mailing; and (vi) an annual operating and capital budget for each of the Mortgaged Assets (the "Annual Operating Budget"), including cash flow projections for the upcoming year, presented on a monthly basis consistent with the quarterly and annual operating statements referred to in clause (iii) above at least 30 days prior to the start of each calendar year. Borrower and the REIT will furnish such additional reports or data, but no more often than on a quarterly basis, as Agent may reasonably request including, without limitation, monthly operating statements, a certified rent roll, leasing and management reports for each Mortgaged Asset, and an accounting for security deposits. Borrower and the REIT shall maintain a system of accounting capable of furnishing all such information and data, and shall maintain its books and records respecting financial and accounting matters in a proper manner and on a basis consistent with that used in the preparation of the aforesaid financial statements of Borrower.

(b) Officer's Certificates; Comfort Letters. (i) At the time of the delivery of the financial statements under clause (a) above, Borrower shall provide a certificate signed by a Responsible Officer of the REIT on behalf of the Borrower and the REIT for itself and as general partner of Borrower that such (x) financial statements have been prepared in accordance with GAAP (unless such financial statements are not required to be prepared in accordance with GAAP pursuant to this Agreement) and fairly present the consolidated financial condition and the results of operations of the REIT, its Consolidated Subsidiaries, Borrower, its Consolidated Subsidiaries and the Mortgaged Assets, as applicable, on the dates and for the periods indicated, subject, in the case of interim financial statements, to normally recurring year end adjustments, (y) to the best knowledge of Borrower and the REIT that no Default or Event of Default has occurred on the date of such certificate or, if any Default or Event of Default has occurred and is continuing on such date, specifying the nature and extent thereof and the action Borrower has taken, is taking and/or proposes to take in respect thereof and (z) that since the date of the most recent prior annual and quarterly financial statements delivered pursuant to such clause no change has occurred in the financial position of Borrower or the REIT or their respective Consolidated Subsidiaries, which change could result in a Material Adverse Effect, and (ii) at the time of delivery of the Annual Operating Budget pursuant to Section 5.01(a)(v), a written statement of the assumptions used in connection with respect to the Annual Operating Budget, together with a certificate of the REIT for itself and as general partner of Borrower to the effect that such budget and assumptions are reasonable and represent Borrower's or the appropriate Loan Party's good faith estimate of such Net Operating Income and anticipated capital expenditures, it being understood and agreed that there may often be a difference between financial projections and actual results.

(ii) Within 45 days of the end of each calendar quarter, Borrower shall provide a certificate of the REIT for itself and as a general partner of Borrower substantially in the form attached as Exhibit "H" hereto ("Compliance Certificate") certifying that no Default or Event of Default has occurred, that there has been no change in the REIT's tax status as a real estate investment trust, as defined under Section 856 of the Code, and

demonstrating compliance with the Financial Covenants and with Section 6.15 hereof (including providing copies of the most recently available unaudited operating statements of the Mortgaged Assets) and the provisions of Sections 5.12, 5.13, 5.19, 5.27(b), 5.31 and 6.09, and containing calculations verifying such compliance commencing with the calendar quarter ending on December 31, 1997; provided that the certificate for the last calendar quarter with respect to Section 6.07 may be delivered within 90 days after the end of such fiscal year with the audited financial statements for the year then ended.

(iii) Within 90 days of the end of Borrower's fiscal year through the Maturity Date, Borrowel provide an agreed upon procedures letter or audit prepared by a nationally recognized independent certified public accounting firm satisfactory to Agent verifying that the covenants contained in Sections 5.16, 5.17, 5.18, 5.19, 6.07 and 6.11 are complied with at the end of such period.

(c) Notice of Default or Litigation. Promptly after Borrower or any other Loan Party obtains actual knowledge thereof, Borrower and the REIT shall give Agent notice of (i) the occurrence of a Default or any Event of Default, (ii) the occurrence of (v) any default that is not cured, or any event of default, under any partnership agreement of Borrower, any Loan Party, any mortgage, deed of trust, indenture or other debt or security instrument, covering obligations in a principal amount in excess of $1,000,000.00 and covering any of the Assets of Borrower or (w) any event of default under any other material agreement to which Borrower, the REIT or any other Loan Party is a party, which, if not cured could be reasonably expected to result in a Material Adverse Effect, (x) the occurrence of any Bar Building Event of Default, (y) any event, act or condition which may render the Transfer and Escrow Agreement and the related Bar Building Loan Documents unenforceable in whole or part, (z) if the Bar Building Mortgagor or the Bar Building or 17 Battery Upper Partners or 17 Battery Place or any interest therein is subject to any bankruptcy or similar insolvency proceeding, (iii) if 17 Battery Upper Partners or 17 Battery Place is subject to any federal tax lien or claim, (iv) any litigation or governmental proceeding pending or threatened (in writing) against Borrower, the REIT or any other Loan Party or the Bar Building Mortgagor or 17 Battery Upper Partners which could be reasonably expected to result in a Material Adverse Effect and (iv) any other event, act or condition which could be reasonably expected to result in a Material Adverse Effect. Each notice delivered pursuant to this Section 5.01(c) shall be accompanied by a certificate of the REIT for itself and as general partner of Borrower setting forth the details of the occurrence referred to therein and describing the actions Borrower and the REIT have taken, are taking or propose to take with respect thereto.

(d) Asset Information. Promptly after they have been prepared, but in no event later than the time frames set forth in Section 5.01(a), Borrower shall deliver to Agent schedules that provide the following information:

(i) Funds from Operations of Borrower and the REIT calculation for the preceding quarter;

(ii) Adjusted NOI for the preceding quarter for each Real Property Asset;

(iii) Listing of the Book Value of each Permitted Investment; and

(iv) Listing of all Real Property Assets and Other Assets acquired, transferred or sold during the preceding quarter and the Purchase Price paid or price received, as the case may be, for such Asset.

(e) Intentionally Deleted.

(f) Tenants. With respect to Mortgaged Assets, Borrower shall notify Agent within 15 days of any change in occupancy, lease commencement, extension, expiration, termination or default with respect to tenants under any lease for more than 10,000 square feet.

(g) Tax Returns. Promptly after they are filed with the Internal Revenue Service, copies of all annual federal income tax returns and amendments thereto of the Borrower, the REIT and the Loan Parties.

(h) Condemnation and Casualty. Borrower shall immediately notify Agent of any fire or other casualty or any pending or threatened condemnation or eminent domain proceeding with respect to all or any portion of an Mortgaged Asset.

(i) Other Information. From time to time, Borrower shall provide such other information and financial documents relating to Borrower as Agent may reasonably request subject to the terms of any written confidentiality agreements to which Borrower is a party.

Section 5.02 Books, Records and Inspections. Borrower shall, and shall cause each applicable Loan Party to, at Borrower's or such Loan Party's

principal place of business or at each Real Property Asset, keep proper books of record and account in which full, true and correct entries shall be made. Borrower shall and shall cause each applicable Loan Party to, permit officers and designated representatives of Agent, at Agent's expense to visit and inspect any of the Real Property Assets, and to examine and copy the books of record and account of Borrower and any Loan Party and the Real Property Assets (including, without limitation, leases, statements, bills and invoices), discuss the affairs, finances and accounts of Borrower and any Loan Party, and be advised as to the same by, its and their officers and independent accountants, all upon reasonable notice and at such reasonable times as Agent may desire. Any Co-Lender may accompany the Agent on such visit or inspection.

Section 5.03 Maintenance of Insurance. (a) Borrower and the other Loan Parties shall (i) maintain with financially sound and reputable insurance companies insurance on itself and its Other Assets in commercially reasonable amounts, (ii) maintain Agent as named additional insured in respect of any such liability insurance required to be maintained hereunder, and (iii) furnish to Agent from time to time, upon written request, certificates of insurance or certified copies or abstracts of all insurance policies required under this Agreement and such other information relating to such insurance as Agent or any Co-Lender may reasonably request.

(b) With respect to the Bar Building, Borrower shall require the Bar Building Mortgagor to carry the insurance coverage required under the Bar Building Loan Documents; with respect to each Real Property Asset other than the Bar Building, Borrower shall obtain and maintain, or cause to be maintained, insurance providing at least the following coverages; provided, however, that Borrower shall insure or provide gap insurance for such risks and in such amounts as may be necessary to provide the coverage set forth below for the Bar Building:

(i) comprehensive all risk insurance on the Real Property Assets, including contingent liability from Operation of Building Laws, Demolition Costs and Increased Cost of Construction Endorsements, in each case (A) in an amount equal to 100% of the "Full Replacement Cost," which for purposes of this Agreement shall mean actual replacement value (exclusive of costs of excavations, foundations, underground utilities and footings) with a waiver of depreciation, but the amount shall in no event be less than the outstanding principal balance of the Note; (B) containing an agreed amount endorsement with respect to the improvements owned or leased by Borrower waiving all co-insurance provisions; (C) providing for no deductible in excess of $50,000; and (D) containing an "Ordinance or Law Coverage" or "Enforcement" endorsement if any of the improvements or the use of the Real Property Asset shall at any time constitute legal non-conforming structures or uses. The Full Replacement Cost shall be redetermined from time to time (but not more frequently than once in any twenty-four (24) calendar months) at the request of Agent by an appraiser or contractor designated and paid by Borrower and approved by Agent, which approval shall not be unreasonably withheld, or by an engineer or appraiser in the regular employ of the insurer. After the first appraisal, additional appraisals may be based on construction cost indices customarily employed in the trade. No omission on the part of Agent to request any such ascertainment shall relieve Borrower of any of its obligations under this Section. In addition, Borrower shall obtain (y) flood hazard insurance if any portion of the improvements is currently or at any time in the future located in a federally designated "special flood hazard area", or otherwise required by Agent and (z) earthquake insurance in amounts and in form and substance satisfactory to Agent and the Majority Co-Lenders in the event the Real Property Asset is located in an area with a high degree of seismic activity, or otherwise as required by Agent, provided that the insurance pursuant to clauses (y) and (z) hereof shall be on terms consistent with the comprehensive all risk insurance policy required under this Section 5.03, except that the deductible on such insurance shall not be in excess of five percent (5%) of the appraised value of the Real Property Asset;

(ii) commercial general liability insurance against claims for personal injury, bodily injury, death or property damage occurring upon, in or about the Real Property Asset, such insurance (A) to be on the so-called "occurrence" form with a combined single limit of not less than $1,000,000; (B) to continue at not less than the aforesaid limit until required to be changed by Agent in writing by reason of changed economic conditions making such protection inadequate; and (C) to cover at least the following hazards: (1) premises and operations; (2) products and completed operations on an "if any" basis; (3) independent contractors; and (4) blanket contractual liability for all written and oral contracts;

(iii) business income and rent loss insurance (A) covering all risks required to be covered by the insurance provided for in Subsection 5.03(b)(i); (B) containing an extended period of indemnity endorsement which provides that after the physical loss to the improvements and personal property has been repaired, the continued loss of income will be insured until such income either returns to the same level it was at prior to the loss, or the expiration of twelve (12) months from the date of the loss, whichever first occurs, and notwithstanding that the policy may expire prior to the end of such period; and (C) in an amount equal to 100% of the projected gross income from the Real Property Asset for a period of twelve (12) months. The amount of such business income insurance shall be determined prior to the date hereof and at least once each year thereafter based on the greatest of: (x) Borrower's reasonable estimate of the gross income

from the Real Property Asset; and (y) the estimate of gross income set forth in the annual operating budget delivered pursuant to Section 5.01(a);

(iv) at all times during which structural construction, repairs or alterations are being made with respect to the Real Property Asset (A) owner's contingent or protective liability insurance covering claims not covered by or under the terms or provisions of the above mentioned commercial general liability insurance policy; and (B) the insurance provided for in clause (i) above written in a so-called builder's risk completed value form (1) on a non-reporting basis, (2) against all risks insured against pursuant to Section 5.03(b)(i), (3) including permission to occupy the Real Property Asset, and (4) with an agreed amount endorsement waiving co-insurance provisions;

(v) if Borrower now or hereafter has any employees, workers' compensation, subject to the statutory limits of the state in which the Real Property Asset is located, and employer's liability insurance (A) with a limit per accident and per disease per employee, and (B) in an amount for disease aggregate in respect of any work or operations on or about the Real Property Asset, or in connection with the Real Property Asset or its operation (if applicable), in each case reasonably required by Agent;

(vi) comprehensive boiler and machinery insurance, if applicable, in amounts as shall be reasonably required by Agent on terms consistent with the commercial general liability insurance policy required under Subsection 3.3(a)(ii);

(vii) umbrella liability insurance in an amount not less than $20,000,000 per occurrence on terms consistent with the commercial general liability insurance policy required under Subsection 3.3(a)(ii);

(viii) motor vehicle liability coverage for all owned and non-owned vehicles, including rented and leased vehicles containing minimum limits per occurrence of $5,000,000; and

(ix) such other insurance and in such amounts as Agent from time to time may reasonably request against such other insurable hazards which at the time are commonly insured against for property similar to the Real Property Asset located in or around the region in which the Real Property Asset is located.

(c) All insurance provided for hereunder shall be obtained under valid and enforceable policies (the "Policies" or in the singular, the "Policy"), and shall be subject to the approval of Agent and the Majority Co-Lenders (which approval shall not be unreasonably withheld) as to insurance companies, amounts, forms, deductibles, loss payees and insurers. The Policies shall be issued by financially sound and responsible insurance companies authorized to do business in the state in which the Real Property Asset is located. Each insurance company must have a rating of "A" or better for claims paying ability assigned by Standard & Poor's Rating Group or, if Standard & Poor's Rating Group does not assign a rating for such insurance company, such insurance company must have a general policy rating of A or better and a financial class of VIII or better by Best (each such insurer shall be referred to below as a "Qualified Insurer"). Not less than thirty (30) days prior to the expiration dates of the Policies theretofore furnished to Agent, certified copies of the Policies marked "premium paid" or accompanied by evidence reasonably satisfactory to Agent of payment of the premiums due thereunder shall be delivered by Borrower to Agent; provided, however, that in the case of renewal Policies, Borrower may furnish Agent with binders therefor to be followed by the original Policies when issued.

(d) Borrower shall not obtain (i) any umbrella or blanket liability or casualty Policy unless, in each case, such Policy is approved in advance in writing by Agent and approved by the Majority Co-Lenders (which consent shall not be unreasonably withheld) and such Policy is issued by a Qualified Insurer, or (ii) separate insurance concurrent in form or contributing in the event of loss with that required in Section 5.03(b) to be furnished by, or which may be reasonably required to be furnished by, Borrower. In the event Borrower obtains separate insurance or an umbrella or a blanket Policy, Borrower shall notify Agent of the same and shall cause certified copies of each Policy to be delivered as required in Section 5.03(b). Any blanket insurance Policy shall (a) specifically allocate to the Real Property Asset the amount of coverage from time to time required hereunder or (b) be written on an occurrence basis for the coverages required hereunder with a limit per occurrence in an amount equal to the amount of coverage required hereunder and shall otherwise provide the same protection as would a separate Policy insuring only the Property in compliance with the provisions of Section 5.03(b).

(e) All Policies of insurance provided for in Section 5.03(b) shall contain clauses or endorsements to the effect that:

(i) the Policy shall not be materially changed (other than to increase the coverage provided thereby) or canceled without at least 30 days' written notice to Agent and any other party named therein as an insured; and

(ii) each Policy shall provide that the issuers thereof shall give written notice to Agent if the Policy has not been renewed thirty (30) days prior to its expiration.

(f) Borrower shall furnish to Agent, on or before thirty (30) days after the close of each of Borrower's fiscal years, a statement certified by

Borrower or a duly authorized officer of Borrower of the amounts of insurance maintained in compliance herewith, of the risks covered by such insurance and of the insurance company or companies which carry such insurance and, if requested by Agent, verification of the adequacy of such insurance by an independent insurance broker or appraiser acceptable to Agent.

(g) If at any time Agent is not in receipt of written evidence that all insurance required hereunder is in full force and effect, Agent shall have the right, without notice to Borrower to take such action as Agent deems reasonably necessary to protect its interest in the Real Property Assets, including, without limitation, the obtaining of such insurance coverage as Agent and the Co-Lenders deems appropriate, and all reasonable expenses incurred by Agent and the Co-Lenders in connection with such action or in obtaining such insurance and keeping it in effect shall be paid by Borrower and the REIT to Agent promptly after demand and shall bear interest in accordance with Section 10.2 hereof.

(h) Subject to the provisions of the Security Instrument which shall govern with respect to Mortgaged Assets, if the Real Property Assets shall be damaged or destroyed, in whole or in part, by fire or other casualty, or condemned or taken by eminent domain, Borrower shall give prompt notice of such damage or taking to Agent and shall promptly commence and diligently prosecute the completion of the repair and restoration of the Real Property Asset as nearly as possible to the condition the Real Property Asset was in immediately prior to such fire or other casualty or taking (the "Restoration"). Borrower shall pay all costs of such Restoration whether or not such costs are covered by insurance or any condemnation award.

Section 5.04 Taxes. Borrower and the other Loan Parties shall pay or cause to be paid, when due (i.e., before any penalty or fine could be levied or charged), all taxes, charges and assessments and all other lawful claims required to be paid by Borrower, the other Loan Parties, except as contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves have been established with respect thereto in accordance with GAAP. Upon request from Agent, Borrower shall provide evidence to Agent of payment of such taxes, charges, assessments and other lawful claims.

Section 5.05 Corporate Franchises; Conduct of Business. (a) Borrower and each Loan Party shall do or cause to be done, all things necessary to preserve and keep in full force and effect its existence and good standing in the State of its organization and in each state in which a Real Property Asset is located, and its respective franchises, licenses, permits, certificates, authorizations, qualifications, accreditations, easements, rights of way and other rights, consents and approvals, except where the failure to so preserve any of the foregoing (other than existence and good standing) would not, individually or in the aggregate, result in a Material Adverse Effect.

(b) The Borrower shall carry on and conduct its business in substantially the same manner and substantially the same field of enterprise as it is presently conducted and only by the Borrower through itself or the Guarantors, except as described on Schedule 9B.

(c) The REIT shall carry on and conduct its business in substantially the same manner and substantially the same field of enterprise as it is presently conducted and only through Borrower, except as described in Schedule 9A.

Section 5.06 Compliance with Law. Subject to the provisions of the Security Instrument which shall govern with respect to Mortgaged Assets, Borrower and the other Loan Parties shall comply with all Applicable Laws, rules, statutes, regulations, decrees and orders of, and all applicable restrictions imposed by, all governmental bodies, domestic or foreign, in respect of the conduct of their business and the ownership of their property (including the Real Property Assets), except for such laws, rules, statutes, regulations, decrees, orders and restrictions, (a) which Borrower or such other Loan Party are contesting in good faith and in compliance with and pursuant to appropriate proceedings diligently prosecuted (provided that such contest does not and cannot (i) expose any of Agent, the Co-Lenders Borrower, the other Loan Parties to any criminal liability or penalty, (ii) give rise to a Lien against any of the Assets or any Real Property Asset, or (iii) otherwise materially adversely affect any of the Assets or the value thereof), or (b) the failure to observe which, taken individually or in the aggregate, could not be reasonably expected to result in a Material Adverse Effect. Borrower, the REIT and the applicable Loan Parties shall not use or permit the use of all or any portion of any Real Property Asset for any illegal activity.

Section 5.07 Performance of Obligations. Borrower, the REIT and each Loan Party shall perform all of their obligations under the terms of each mortgage, indenture, security agreement, debt instrument, lease, undertaking and contract by which it or any of its Real Property Assets is bound or to which it is a party.

Section 5.08 Stock. The REIT shall cause its issued and outstanding shares of stock to be listed for trading on the New York Stock Exchange.

Section 5.09 Change in Rating. Borrower shall promptly notify

Agent in writing of the initial receipt of and any subsequent change, downgrade or withdrawal, or threatened change, downgrade or withdrawal of Borrower's or the REIT's Unsecured Debt Rating.

Section 5.10 Maintenance of Properties. Borrower and the other Loan Parties shall ensure that the Real Property Assets are kept in their current condition and repair, normal wear and tear, pending capital improvements and casualty damage in the process of being repaired or restored excepted.

Section 5.11 Compliance with ERISA. (a) Borrower and the other Loan Parties shall maintain each Employee Benefit Plan and Plan in material compliance with all material applicable requirements of ERISA and the Code and with all material applicable final regulations promulgated thereunder. Borrower and the other Loan Parties shall provide to Agent, within ten (10) days of sending or receipt by Borrower or the other Loan Parties, copies of all filings or correspondence with the Internal Revenue Service, PBGC, Department of Labor, Plan, Multiemployer Plan or union, regarding any Plan, or regarding or disclosing any liability or potential liability or violation of law under any Employee Benefit Plan.

(b) Borrower and the other Loan Parties shall also provide to Agent, with ten (10) days of filing or receipt by Borrower or the other Loan Parties, (i) any notice from the Department of Labor or Internal Revenue Service of assessment or investigation regarding a prohibited transaction under Section 4975 of the Code or Section 406 of ERISA, (ii) any notice from a Multiemployer Plan of withdrawal with respect to a Multiemployer Plan, (iii) notice from the Internal Revenue Service of imposition of excise tax with respect to an Employee Benefit Plan, (iv) any Form 5500 filed by any Borrower or Loan Party with respect to an Employee Benefit Plan which includes a qualified accountant's opinion, or (v) notice regarding a proposed termination from the PBGC.

(c) Neither Borrower nor any other Loan Party shall engage in any transaction which could reasonably be expected to cause any obligation, or action taken or to be taken, hereunder (or the exercise by Agent or the Co-Lenders of any of its rights under this Agreement or the other Loan Documents) to be a non-exempt (under a statutory or administrative class exemption) prohibited transaction under ERISA or result in a violation of a state statute regulating governmental plans that would subject Agent or any Co-Lender to liability for a violation of ERISA or such a state statute.

(d) Borrower and the REIT further covenant and agree to deliver to Agent such certifications or other evidence from time to time throughout the term of the Loan, as reasonably requested by Agent or the Co-Lenders in their sole discretion, that (i) neither Borrower nor any other Loan Party is an "employee benefit plan" as defined in Section 3(3) of ERISA, which is subject to Title I of ERISA, or a "governmental plan" within the meaning of Section 3(3) of ERISA; (ii) neither Borrower nor any other Loan Party is subject to state statutes applicable to Borrower or any Loan Party regulating investments and fiduciary obligations of Borrower or any Loan Party with respect to governmental plans; and (iii) with respect to each Loan Party and Borrower, at least one of the following circumstances is true:

(i) Equity interests in Borrower or such Loan Party are publicly offered securities, within the meaning of 29 C.F.R. Section 2510.3-101(b)(2);

(ii) Less than 25 percent of each outstanding class of equity interests in Borrower or such Loan Party are held by "benefit plan investors" within the meaning of 29 C.F.R. Section 2510.3-101(f)(2); or

(iii) Borrower or such Loan Party qualifies as an "operating company" or a "real estate operating company" within the meaning of 29 C.F.R. Section 2510.3-101(c) or (e) or an investment company registered under The Investment Company Act of 1940.

Section 5.12 Settlement/Judgment Notice. Borrower agrees that it shall, within ten (10) days after it effects a settlement of any obligation in excess of $1,000,000.00 provide written notice to Agent of such settlement together with a certification signed by the REIT for itself and as general partner of Borrower certifying based upon the most recent quarterly consolidated financial statements of Borrower, the REIT and their Consolidated Subsidiaries, such settlement will not cause Borrower or the REIT to violate the financial covenants set forth herein. Borrower further agrees that it shall, within ten (10) days after entry against it of a final judgment in excess of $1,000,000.00 or final judgments in excess of $1,000,000.00 in the aggregate (to the extent not covered by insurance) during the immediately preceding twelve (12) month period, provide written notice to Agent of such judgment.

Section 5.13 Acceleration Notice. Borrower agrees that it shall, within ten (10) days after receipt of written notice that any Indebtedness of Borrower or any Loan Party in a principal amount in excess of $1,000,000.00 has been accelerated, provide written notice to Agent of such acceleration.

Section 5.14 Intentionally Deleted.

Section 5.15 Intentionally Deleted.

Section 5.16 Intentionally Deleted.

Section 5.17 Intentionally Deleted.

Section 5.18 Intentionally Deleted.

Section 5.19 Intentionally Deleted.

Section 5.20 Intentionally Deleted.

Section 5.21 Manager. The Real Property Assets shall at all times be managed by the Manager or the Borrower or a wholly owned Subsidiary of Borrower pursuant to a management agreement reasonably satisfactory to the Majority Co-Lenders. If (i) any manager of a Mortgaged Asset shall become insolvent or (ii) an Event of Default shall occur and be continuing, then the Majority Co-Lenders, at their option, may require Borrower to engage a bona-fide, independent third party management agent approved by the Majority Co-Lenders, in their reasonable discretion (the "New Manager") to manage such Real Property Asset. The New Manager shall be engaged by Borrower pursuant to a written management agreement that complies with the terms hereof and is otherwise reasonably satisfactory to the Majority Co-Lenders in all respects and the New Manager shall execute and deliver to Agent a Subordination of Management Agreement.

Section 5.22 Further Assurances. Borrower will, at Borrower's sole cost and expense, at any time and from time to time upon request of Agent take or cause to be taken any action and execute, acknowledge, deliver or record any further documents, opinions, negative pledge agreements or other instruments which Agent or any Co-Lender in its reasonable discretion deems necessary or appropriate to carry out the purposes of this Agreement and the other Loan Documents including to consummate the transfer or sale of the Loan or any portion thereof, provided that Borrower shall not be required to amend or modify this Agreement or any other Loan Documents in a material manner.

Section 5.23 REIT Status. The REIT shall at all times maintain its status as a "qualified real estate investment trust" under Section 856 of the Code.

Section 5.24 Additional Covenants. (a) Borrower and the REIT shall give prompt notice to Agent of the receipt by Borrower, the REIT or any Loan Party of (i) any notice related to a violation of any Applicable Laws and (ii) the commencement of any proceedings or investigations which relate to compliance with Applicable Laws which in any instance could be reasonably expected to have a Material Adverse Effect.

(b) Borrower and the REIT will take appropriate measures to prevent and will not engage in or knowingly permit any illegal activities at any Real Property Asset.

(c) Borrower and the REIT shall use best efforts to get all consents and/or approvals required under the terms of the Graybar Leases and the Graybar Operating Lease to encumber SLG Graybar LLC's interest in the Graybar Building to the Lien of the Loan Documents, including, without limitation, the Security Instrument and shall, among other things, deliver to Agent any and all title insurance policy(s) and/or an opinion(s) of Borrower's or the appropriate Loan Party's counsel as may be reasonably requested by Agent and shall, upon obtaining such consents and/or approvals, execute and deliver all documentation reasonably required by Agent to spread the Lien of the Loan Documents, including, without limitation, the Security Instrument, to encumber SLG Graybar LLC's interest in the Graybar Building at which time the Pledge Agreement shall terminate.

Section 5.25 Intentionally Deleted.

Section 5.26 Keep Well Covenants. The Partnership and the REIT shall (a) cause each Borrower and each Guarantor to be operated and managed in such a manner that it will fulfill its obligations under the Loan Documents and the Guaranty; (b) not file any petition for relief under the United States Bankruptcy Code or under any similar federal or state law against any such Borrower or Guarantors; and (c) provide funding to each Borrower and each Guarantor to the extent necessary to enable each Borrower and each Guarantor to fulfill its obligations under the Loan Documents and the Guaranty and to remain Solvent.

Section 5.27 Existing Environmental Conditions, Required Repairs and Preparation of Environmental Reports. (a) At the request of Agent, at any time that Agent has a reason to believe that there may be Hazardous Substances present on any Real Property Asset or any violation of Environmental Law with respect to any Real Property Asset, Borrower shall

provide to Agent, within sixty (60) days after such request, at the expense of Borrower and the REIT, an Environmental Report for all Real Property Assets that have been acquired after the date hereof, or with respect to the Real Property Assets owned as of the date hereof, any Real Property Asset for which Agent has a reasonable basis for requiring such an Environmental Report (including, without limitation, the fact that an environmental report was not delivered at or prior to the Closing Date or there is a basis to believe that there may be Hazardous Materials or a threat of a Release with respect to such Real Property Asset) as described in such request. Without limiting the generality of the foregoing, if Agent or the Majority Co-Lenders determine at any time that a material risk exists that any such Environmental Report will not be provided within the time referred to above, Agent may retain an environmental consulting firm to prepare such Environmental Report at the expense of Borrower and the REIT, and Borrower hereby grants and agrees to cause any Loan Party which owns any Real Property Asset described in such request to grant at the time of such request, to Agent, such firm and any agents of representatives thereof an irrevocable non-exclusive license, subject to the rights of tenants, to enter onto their respective Real Property Assets to undertake such an assessment.

(b) Borrower shall, within twelve (12) months of the Closing Date cause the environmental conditions and maintenance/repairs (the "Post-Closing Repairs") set forth on Schedule 16 attached hereto for each of the Mortgaged Assets set forth therein to be remediated or completed. Borrower further agrees to deliver evidence reasonably satisfactory to the Lender and each Co-Lender that the Post-Closing Repairs have been fully completed and paid for within such twelve (12) month period in a manner not inconsistent with the terms of this Agreement.

Section 5.28 Intentionally Deleted.

Section 5.29 Compliance with Terms of Leaseholds. (a) Subject to the provisions of the Security Instrument which shall govern with respect to Mortgaged Assets, Borrower, the REIT and the applicable Loan Party shall, subject to good faith disputes with tenants thereunder, make all payments and otherwise perform all obligations in respect of Leases of real property, keep such Leases in full force and effect and not allow such Leases to lapse or be terminated or any rights to renew such Leases to be forfeited or canceled, notify the Agent of any default by any party with respect to such Leases (to the extent known to Borrower) and cooperate with the Agent in all respects to cure any such default and cause each Loan Party to do so.

(b) Borrower, the REIT and the applicable Loan Party shall make all payments and otherwise perform all obligations in respect of the Graybar Operating Lease, keep the Graybar Operating Lease in full force and effect and not allow the Graybar Operating Lease to lapse or be terminated or any rights to renew the Graybar Operating Lease to be forfeited or canceled and cooperate with the Agent in all respects to cure any default under the Graybar Operating Lease and cause the applicable Loan Party to do so.

Section 5.30 Equity or Debt Offerings. All net proceeds (after payment of underwriter and placement fees and other expenses directly related to such equity or debt offering) from any equity or debt offering by the REIT shall be promptly paid to Lender and applied to the then outstanding balance of the Loan.

Section 5.31 Notice of Certain Events. (a) Borrower shall, within ten (10) days of obtaining actual knowledge thereof, notify Agent of (i) any execution of, or material modification to, cancellation, surrender or termination of any lease or sublease relating to the Bar Building, (ii) any change in the identity of any lessee or sublessee of the Bar Building or (iii) any lapse in insurance coverage or any tax delinquency relating to the Bar Building or (iv) any casualty to or condemnation of all or any part of the Bar Building or (v) any material environmental condition with respect to the Bar Building or (vi) the occurrence of any Bar Building Event of Default or (vii) the occurrence of any default that continues beyond the expiration of any applicable notice or cure period under the 17 Battery Place Transaction Documents.

(b) Borrower shall, within ten (10) days of obtaining actual knowledge thereof, notify Agent of any default under (i) the Graybar Operating Lease and/or the Graybar Leases or (ii) any fee or leasehold mortgage encumbering the Graybar Building, the Graybar Operating Lease and/or the Graybar Leases, or any portion of any of the foregoing.

Section 5.32 17 Battery Place Condominium. Borrower and SLG 17 Battery LLC shall diligently take all actions required to convert 17 Battery Place into a condominium pursuant to the terms and provisions of, and within the time frame contemplated in, the 17 Battery Place Transaction Documents.

SECTION 6. NEGATIVE COVENANTS.

Borrower and the REIT covenant and agree that on and after the Closing Date until the Obligations (other than inchoate indemnity and expense reimbursement Obligations) are paid in full:

Section 6.01 Bar Building and 17 Battery Place. Neither Borrower nor SLG 17 Battery LLC shall amend, waive or modify any of its rights or any defaults with respect to any Bar Building Loan Document or the 17 Battery

Place Transaction Documents. Other than immaterial or ministered changes, neither Borrower nor SLG 17 Battery LLC shall amend or modify any of the terms or conditions of any Bar Building Loan Document or the 17 Battery Place Transaction Documents without the prior written consent of the Majority Co-Lenders.

Section 6.02 Intentionally Deleted.

Section 6.03 Liens. Borrower and the other Loan Parties shall not, create, incur, assume or suffer to exist, directly or indirectly, any Lien on any Mortgaged Asset other than the following (collectively, the "Permitted Liens"):

(a) The Liens set forth on (i) the title insurance policy insuring the lien of the Security Instrument, (ii) Borrower's title insurance policy insuring the lien of (A) the Bar Building Mortgages, other than Liens that exist as of the date hereof and are junior to the Bar Building Mortgages and (B) the 17 Battery Place Mortgage, as assigned to Agent and (iii) Borrower's title insurance policy insuring Borrower's leasehold interest in the Graybar Building (collectively, the "Title Insurance Permitted Liens").

(b) Liens for taxes not yet due or which are being contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves are being maintained in accordance with GAAP;

(c) Statutory Liens of landlords and Liens of mechanics, materialmen and other Liens imposed by Law (other than any Lien imposed by ERISA) created in the ordinary course of business for amounts not yet due or which are being contested in good faith by appropriate proceedings diligently conducted, and with respect to which adequate bonds have been posted if required to do so by Applicable Law;

(d) Sidewalk violations or other municipal violations that are not material and are not a Lien on the related Real Property Asset other than the Title Insurance Permitted Liens; and

(e) Intentionally Deleted.

Section 6.04 Restriction on Fundamental Changes. (a) Without the prior written consent of the Majority Co-Lenders, which consent may be withheld in the sole and absolute discretion of the Majority Co-Lenders, (i) the Partnership, the REIT and the other Loan Parties shall not enter into any merger or consolidation with, or sell, lease, transfer or otherwise dispose of any Substantial Assets within any one calendar year to, any Person other than the Partnership or a wholly owned Subsidiary of the Partnership and (ii) the REIT shall not sell, transfer, pledge, assign or encumber its general partnership interest in the Partnership and (iii) the Partnership shall not sell, transfer, pledge, assign or encumber its membership interest in any Guarantor or any other Borrower and (iv) SLG Graybar 2 LLC shall not sell, transfer, pledge, assign or encumber its membership interest in SLG Graybar LLC.. Notwithstanding the foregoing, neither the Partnership, the REIT nor any Loan Party shall enter into any arrangement, directly or indirectly, whereby the Partnership, the REIT or any Loan Party shall sell or transfer any Real Property Asset (in a single or multiple transaction) owned by any of them in order then or thereafter to lease such property or lease other Real Property Asset that it intends to use for substantially the same purpose as the Real Property Asset being sold or transferred.

(b) Intentionally Deleted.

Section 6.05 Transactions with Affiliates. Borrower and the other Loan Parties shall not enter into any material transaction or series of related transactions, whether or not in the ordinary course of business, with any Affiliate of Borrower, other than on terms and conditions substantially as favorable as would be obtainable at the time in a comparable arm's-length transaction with a Person other than an Affiliate of Borrower.

Section 6.06 Plans. Borrower and the other Loan Parties shall not, nor shall they permit any member of their respective ERISA Controlled Group to, (i) establish, become liable for, or amend any Plan or fail to make contributions when due under any Plan or take or omit to take any other action which would (A) increase the aggregate present value of the Unfunded Benefit Liabilities under all Plans or withdrawal liability under a Multiemployer Plan for which Borrower or any Loan Party or any member of their respective ERISA Controlled Groups (determined without reference to Section 414(m) or (o) of the Code, if liabilities of entities in Borrower or the Loan Parties' ERISA Controlled Group solely by reason of Section 414(m) or (o) of the Code could not result in liability to Borrower or any Loan Party) to an amount in excess of $500,000 or (B) result in liability or Contingent Obligation for any post-retirement benefit under any "welfare plan" (as defined in Section 3(1) of ERISA), or any withdrawal liability or exit fee or charge with respect to any "welfare plan" (as defined in Section 3(1) of ERISA), other than liability for continuation coverage under Part 6 of Title I of ERISA, or state or local laws which require similar continuation coverage for which the employee pays approximately the full cost of coverage, or (ii) engage in any transaction prohibited by Section 406 of ERISA or Section 4975 of the Code for which a statutory or administrative exemption was not available and which would result in a material liability being imposed on such Person or could be reasonably expected to have a

Material Adverse Effect.

Section 6.07 Distributions. The REIT and Borrower (without duplication) shall not pay or declare Distributions (a) if an Event of Default has occurred and is continuing or (b) that in the aggregate exceeds 95% during the first year after the Closing and 90% thereafter, of the Funds From Operations of Borrower, both individually and combined with the REIT (without duplication), in any four consecutive calendar quarters (or if four consecutive calendar quarters have not passed since the date hereof, the quarterly periods from the date hereof); provided that notwithstanding the foregoing, so long as no Event of Default has occurred and is continuing, the REIT may pay or declare Distributions without violating this covenant in (i) the amount necessary to maintain the REIT's status as a real estate investment trust under Section 856 of the Code and applicable state tax law, or (ii) the amount necessary for the REIT to avoid the payment of any federal income or excise tax. For purposes of the calculation only, Funds From Operations shall be determined without taking into account the effect of Distributions on either Preferred or Common OP Units, and Distributions shall include all distributions on Preferred and Common OP Units.

Section 6.08 Tenant Concentration. No single tenant or Affiliates of such tenant pursuant to one or more Leases shall, in the aggregate, lease space in Real Property Assets of Borrower, the REIT or any Loan Party which provides for Rent (including without limitation, percentage rent) in excess of 5%, if such tenant is not an Investment Grade Tenant, or 10%, if such tenant is an Investment Grade Tenant, of the aggregate Rents derived from all Leases of such Real Property Assets.

Section 6.09 Restriction on Indebtedness. Neither Borrower, the REIT or any subsidiary or affiliate thereof nor any Guarantor shall at any time have any liability, contingent or otherwise, to any other Person under any Indebtedness other than (i) the debt evidenced by the Loan Documents, (ii) the non-use fee and other fees or sums due under the Unsecured Line of Credit, (iii) trade payables incurred in the ordinary course of business and (iv) the Existing Mortgage Debt.

Section 6.10 Real Property Assets. Neither the Borrower, the REIT nor any other Loan Party shall acquire any Real Property Asset unless an Environmental Report for such Real Property Asset dated within six (6) months of the proposed acquisition date has been prepared and if requested, delivered to Agent showing that there are no Hazardous Substances or other environmental conditions on such Real Property Asset not in compliance with Environmental Laws.

Section 6.11 Intentionally Deleted.

(b) Intentionally Deleted.

Section 6.12 Organizational Documents. Other than immaterial or ministerial changes, neither Borrower, the REIT nor any other Loan Party shall make any amendments or modifications to their partnership agreements, corporate charters, by-laws, certificates of incorporation, articles of organization or other organizational documents without the prior approval of the Majority Co-Lenders.

Section 6.13 Intentionally Deleted.

Section 6.14 Intentionally Deleted.

Section 6.15 Restrictions on Investments. In addition to the provisions of Section 2.20, neither Borrower, the REIT or any Loan Party shall make or permit to exist or remain outstanding any investment other than investments in:

(a) marketable direct or guaranteed obligations of the United States of America that mature within one (1) year from the date of purchase by the Borrower, the REIT or any Loan Party;

(b) marketable direct obligations of any of the following: Federal Home Loan Mortgage Corporation, Student Loan Marketing Association, Federal Home Loan banks, Federal National Mortgage Association, Government National Mortgage association, Bank for Cooperatives, Federal Intermediate Credit Banks, Federal Financing Banks, Export-Import Bank of the United States, Federal Land Bank, or any other agency or instrumentality of the United States of America that mature within one (1) year from the date of purchase by the Borrower, the REIT or any Loan Party;

(c) demand deposits, certificates of deposit, bankers acceptances and time deposits of United States banks having total assets in excess of $100,000,000.00; provided, however, that the aggregate amount at any time so invested with any single bank having total assets of less than $1,000,000,000.00 will not exceed $200,000.00;

(d) securities commonly known as "commercial paper" issued by a corporation organized and existing under the laws of the United States of

America or any State which at the times of purchase are rate by Moody's or by S&P at not less than "P 2" if then rated by Moody's, and not less than "A 2", if then rated by S&P;

(e) mortgage-backed securities guaranteed by the Government National Mortgage Association, the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation and other mortgage-backed bonds which at the time of purchase are rated by Moody's or by S&P at not less than "Aa" if then rated by Moody's and not less than "AA" if then rated by S&P that mature within one (1) year from the date of purchase by the Borrower, the REIT or any Loan Party;

(f) repurchase agreements having a term not greater than 90 days and fully secured by securities described in the foregoing subsection (a), (b) or (e) with banks described in the foregoing subsection (c) or with financial institutions or other corporations having total assets in excess of $500,000,000.00;

(g) shares of so-called "money market funds" registered with the SEC under the Investment Company Act of 1940 which maintain a level per-share value, invest principally in investments described in the foregoing subsections (a) through (f) and have total assets in excess of $50,000,000.00;

(h) Permitted Investments.

SECTION 7. EVENTS OF DEFAULT

Section 7.01 Events of Default. The occurrence and continuance of any of the following events, acts, occurrences or conditions shall constitute an Event of Default under this Agreement, regardless of whether such event, act, occurrence or condition is voluntary or involuntary or results from the operation of law or pursuant to or as a result of compliance by any Person with any judgment, decree, order, rule or regulation of any court or administrative or governmental body:

(a) Failure to Make Payments. Borrower and the REIT shall (i) default in the payment when due of any principal of the Loan, or (ii) default in the payment within five (5) days after the due date of (x) any interest on the Loan or (y) any Fees, Transaction Costs or any other amounts owing hereunder; provided, however, that any interest payable with respect to any delinquent payment shall be calculated at the Default Rate from the date such payment was actually due as if there were no grace period.

(b) Breach of Representation or Warranty. Any representation or warranty made by Borrower, the REIT or any other Loan Party herein or in any other Loan Document or in any certificate or statement delivered pursuant hereto or thereto shall prove to be false or misleading in any material respect on the date as of which made or deemed made: provided, however, that if such breach is capable of being cured, then Borrower shall have a period of thirty (30) days after delivery of notice from Agent to cure any such breach.

(c) Breach of Covenants.

(i) Borrower, the REIT or any other Loan Party shall fail to perform or observe any agreement, covenant or obligation arising under Sections 2.25(b), 5.01, 5.03, 5.12, 5.13, 5.27(b), 6.03, 6.04, 6.07, 6.08, 6.09, 6.10, 6.14 and 6.15.

(ii) Borrower, the REIT or any of the Loan Parties shall fail to perform or observe any agreement, covenant or obligation arising under (a) Section 5.19 and such failure shall continue uncured for more than five (5) days after delivery or notice thereof or (b) this Agreement (except those described in subsections (a), (b) and (c)(i) above and the preceding clause (a)), and such failure shall continue uncured for thirty (30) days after delivery of notice thereof, or such longer period of time as is reasonably necessary to cure such Default, provided that Borrower has commenced and is diligently prosecuting the cure of such Default and cures it within ninety (90) days.

(iii) Borrower, the REIT or any other Loan Party shall fail to perform or observe any agreement, covenant or obligation arising under any provision of the Loan Documents other than this Agreement, which failure shall continue after the end of any applicable grace period provided therein.

(d) Default Under Other Agreements. Borrower, the REIT or any other Loan Party shall default beyond any applicable grace period in the payment, performance or observance of any obligation or condition with respect to any other Indebtedness in excess of $1,000,000 or any other event shall occur or condition exist, if the effect of such default, event or condition is to accelerate the maturity of any Indebtedness in excess of $1,000,000 or to permit (without regard to any required notice or lapse of time) the holder or holders thereof, or any trustee or agent for such holders, to accelerate the maturity of any such Indebtedness in excess of $1,000,000 or any such Indebtedness shall become or be declared to be due and payable prior to its stated maturity and the forgoing conditions are not

cured within thirty (30) days after the condition occurs.

(e) Bankruptcy, etc. (i) Borrower or any other Loan Party shall commence a voluntary case concerning itself under the Bankruptcy Code; or (ii) aninvoluntary case is commenced against Borroweror any other Loan Party- and the petition is not controverted within thirty (30) days, or is not dismissed within ninety (90) days, after commencement of the case or (iii) a custodian (as defined in the Bankruptcy Code) is appointed for, or takes charge of, all or substantially all of the property of Borrower, any other Loan Party or Borrower or any other Loan Party commences any other proceedings under any reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar law of any jurisdiction whether now or hereafter in effect relating to Borrower, any other Loan Party or there is commenced against Borrower or any other Loan Party any such proceeding which remains undismissed for a period of ninety (90) days; or (iv) any order of relief or other order approving any such case or proceeding is entered; or (v) Borrower or any other Loan Party is adjudicated insolvent or bankrupt; or (vi) Borrower or any other Loan Party suffers any appointment of any custodian or the like for it or any substantial part of its property to continue undischarged or unstayed for a period of ninety (90) days; or (vii) Borrower or any other Loan Party makes a general assignment for the benefit of creditors; or (viii) Borrower, any other Loan Party shall fail to pay, or shall state that it is unable to pay, or shall be unable to pay, its debts generally as they become due; or (ix) Borrower or any other Loan Party shall call a meeting of its creditors with a view to arranging a composition or adjustment of its debt; or (x) Borrower or any other Loan Party shall by any act or failure to act consent to, approve of or acquiesce in any of the foregoing; or (xi) any corporate or partnership action is taken by Borrower or any other Loan Party for the purpose of effecting any of the foregoing.

(f) ERISA. (i) Any Termination Event shall occur, or (ii) any Plan shall incur an accumulated funding deficiency (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived, or fail to make a required installment payment on or before the due date under Section 412 of the Code or Section 302 of ERISA, or (iii) Borrower or any of the Loan Parties or a member of their respective ERISA Controlled Group shall have engaged in a transaction which is prohibited under Section 4975 of the Code or Section 406 of ERISA which could result in the imposition of liability in excess of $1,000,000.00 on any of Borrower or any other Loan Party or any member of their respective ERISA Controlled Group and an exemption shall not be applicable or have been obtained under Section 408 of ERISA or Section 4975 of the Code, or (iv) Borrower or any of the other Loan Parties or any member of their respective ERISA Controlled Group shall fail to pay when due an amount which it shall have become liable to pay to the PBGC, any Plan, any Multiemployer Plan or a trust established under Section 4049 of ERISA, or (v) Borrower shall have received a notice from the PBGC of its intention to terminate a Plan or to appoint a trustee to administer such Plan or Multiemployer Plan, which notice shall not have been withdrawn within fourteen (14) days after the date thereof, or (vi) a condition shall exist by reason of which the PBGC would be entitled to obtain a decree adjudicating that an ERISA Plan must be terminated or have a trustee appointed to administer any ERISA Plan, or (vii) Borrower or any of the other Loan Parties or a member of their respective ERISA Controlled Group suffers a partial or complete withdrawal from a Multiemployer Plan or is in default (as defined in Section 4219(c)(5) of ERISA) with respect to payments to a Multiemployer Plan, or (viii) a proceeding shall be instituted against any of Borrower or any of the other Loan Parties or any member of their respective ERISA Controlled Group to enforce Section 515 of ERISA, or (ix) any other event or condition shall occur or exist with respect to any Employee Benefit Plan, Plan or Multiemployer Plan which could subject Borrower or any of the other Loan Parties or any member of their respective ERISA Controlled Group to any tax, penalty or other liability in excess of $1,000,000.00 or the imposition of any lien or security interest on Borrower or any of the other Loan Parties or any member of their respective ERISA Controlled Group, or (x) with respect to any Multiemployer Plan, the institution of a proceeding to enforce Section 515 of ERISA, to terminate such Plan, the receipt of a notice of reorganization or insolvency under Sections 4241 or 4245 of ERISA, in any event which could result in liability in excess of $1,000,000.00 to Borrower, any other Loan Party or any member of any of their ERISA Controlled Group, or (xi) the assets of Borrower or any other Loan Party become or are deemed to be assets of an Employee Benefit Plan. No Event of Default under this Section 7.01(f) shall be deemed to be, or have been, waived or corrected because of any disclosure by Borrower or any Loan Party. The occurrence of any of the events Set forth in (iv), (v), (vi), (vii) or (viii) above, shall not be an Event of Default if the potential liability to the ERISA Controlled Group as a result of such occurrence, assuming that the Plan terminated immediately thereon or the ERISA controlled Group immediately withdrew from the Multiemployer Plan, would not exceed $1,000,000.00, either individually or in the aggregate for all occurrences.

(g) Judgments. One or more judgments or decrees (i) in an aggregate amount of $1,000,000 or more are entered against Borrower, the REIT or any other Loan Parties or (ii) which, with respect to Borrower and the other Loan Parties, could result in a Material Adverse Effect, shall be entered by a court or courts of competent jurisdiction against any of such Persons (other than any judgment as to which, and only to the extent, a reputable insurance company has acknowledged coverage of such claim in writing or has actually reimbursed such judgment creditor) and (x)stayed (by appeal or otherwise), discharged, paid, bonded or vacated within thirty (30) days or (y) enforcement proceedings shall be commenced by any creditor on any such judgments or decrees.

(h) REIT. The REIT fails to remain a publicly-traded real estate investment trust in good standing with the New York Stock Exchange and with the Securities and Exchange Commission.

(i) Material Adverse Effect. If any Material Adverse Effect shall occur.

(j) Bar Building. If (i) a monetary default occurs under the Settlement Agreement, (ii) an Event of Default occurs under the Bar Building Loan Documents, (iii) the Bar Building or any part thereof shall become an asset in a voluntary or involuntary bankruptcy or insolvency proceeding or (iv) the responsibility for the management of the Bar Building is transferred from Borrower or a wholly-owned subsidiary or affiliate thereof.

(k) 17 Battery Place. If a default occurs under the 17 Battery Place Tenancy Agreement or the 17 Battery Place Mortgage after the expiration of any applicable notice and cure periods contained therein.

(l) Graybar Building. If a default occurs under the Graybar Operating Lease and/or the Graybar Leases after the expiration of any applicable notice and cure periods contained therein.

Section 7.02 Rights and Remedies. (a) Upon the occurrence of any Event of Default described in Section 7.01(e), the Facility Amount shall automatically and immediately terminate and the unpaid principal amount of and any and all accrued interest on the Loan and any and all accrued Fees and other Obligations shall automatically become immediately due and payable, with all additional interest thereon calculated at the Default Rate from the occurrence of the Default until the Loan is paid in full and without presentation, demand, or protest or other requirements of any kind (including, without limitation, valuation and appraisement, diligence, presentment, notice of intent to demand or accelerate and notice of acceleration), all of which are hereby expressly waived by Borrower and the other Loan Parties, and the obligation of Lender and all Co-Lenders to make any Advances hereunder shall thereupon terminate; and upon the occurrence and during the continuance of any other Event of Default, Agent, upon approval by the Majority Co-Lenders, may, by written notice to Borrower, (i) declare that the Facility Amount is terminated, whereupon the Facility Amount and the obligation of Lender and all Co-Lenders to make any Advances (or their pro rata share thereof) hereunder shall immediately terminate, and (ii) declare the unpaid principal amount of and any and all accrued and unpaid interest on the Loan and any and all accrued Fees and other Obligations to be, and the same shall thereupon be, immediately due and payable with all additional interest thereon calculated at the Default Rate from the occurrence of the Default until the Loan is paid in full and without presentation, demand, or protest or other requirements of any kind (including, without limitation, valuation and appraisement, diligence, presentment, notice of intent to demand or accelerate and notice of acceleration), all of which are hereby expressly waived by Borrower and the other Loan Parties.

(b) If an Event of Default has occurred and is continuing, Agent and any Co-Lender may offset any indebtedness, obligations or liabilities owed to Borrower against any indebtedness, obligations or liabilities of Borrower or the REIT to it.

(c) If an Event of Default has occurred and is continuing, Agent and any Co-Lender may avail itself of any remedies available to it under the Loan Documents or at law or equity.

SECTION 8. INTENTIONALLY DELETED.

SECTION 9. MISCELLANEOUS.

Section 9.01 Payment of Agent's and Syndication Agent's Expenses, Indemnity, etc. Borrower and the REIT shall:

(a) whether or not the Transactions hereby contemplated are consummated, pay all reasonable out-of-pocket costs and expenses of Agent and the Syndication Agent in connection with Agent's and the Syndication Agent's due diligence review of the Mortgaged Assets, the negotiation, preparation, execution and delivery of the Loan Documents and the documents and instruments referred to therein, and all out-of-pocket expenses of Agent and the Syndication Agent in connection with the syndication and/or administration of the Loan and any amendment, waiver or consent relating to any of the Loan Documents and of Agent and the Syndication Agent in connection with the preservation of rights under, any amendment, waiver or consent relating to, and enforcement of, the Loan Documents and the documents and instruments referred to therein or in connection with any restructuring or rescheduling of the Obligations (including, without limitation, the reasonable fees and disbursements of counsel for Agent and the Syndication Agent);

(b) pay, and hold Agent, the Syndication Agent, and each Co-Lender harmless from and against, any and all present and future stamp, excise and other similar taxes with respect to the foregoing matters and hold Agent, the Syndication Agent, and each Co-Lender harmless from and against any and all

liabilities with respect to or resulting from any delay or omission (other than to the extent attributable to Agent, the Syndication Agent or such Co-Lender) to pay such taxes; and

(c) indemnify Agent, (in its capacity as Lender and as Agent), the Syndication Agent (in its capacity as Syndication Agent and as a Co-Lender) and each Co-Lender, its officers, directors, employees, representatives and agents and any persons or entities owned or Controlled by, owning or Controlling, or under common Control or Affiliated with Agent, the Syndication Agent, or each Co-Lender (each an "Indemnitee") from, and hold each of them harmless against, any and all losses, liabilities, claims, damages, expenses, obligations, penalties, actions, judgments, suits, costs or disbursements of any kind or nature whatsoever (including, without limitation, the reasonable fees and disbursements of counsel for such Indemnitee in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not such Indemnitee shall be designated a party thereto) that may at any time (including, without limitation, at any time following the payment of the Obligations) be imposed on, asserted against or incurred by any Indemnitee as a result of, or arising in any manner out of, or in any way related to or by reason of, (i) the breach of any of Borrower's, the REIT's or other Loan Party's representations and warranties or of any of Borrower's, REIT's or other Loan Party's Obligations, (ii) a default under Sections 4.12 or 5.11, including, without limitation, reasonable attorneys' fees and costs incurred in the investigation, defense, and settlement of losses incurred in correcting any prohibited transaction or in the sale of a prohibited loan, and in obtaining any individual prohibited transaction exemption under ERISA that may be required, and (iii) the exercise by Agent, the Syndication Agent and the Co-Lenders of their rights and remedies (including, without limitation, foreclosure) under any Loan Documents (but excluding, as to any Indemnitee, any such losses, liabilities, claims, damages, expenses, obligations, penalties, actions, judgments, suits, costs or disbursements incurred by reason of the gross negligence or willful misconduct of such Indemnitee) (collectively, "Indemnified Liabilities"). Borrower and the REIT further agree that, without Agent's, the Syndication Agent's or the Co-Lenders' prior written consent, they will not enter into any settlement of a lawsuit, claim or other proceeding arising or relating to any Indemnified Liability unless such settlement includes an explicit and unconditional release from the party bringing such lawsuit, claim or other proceeding of each Indemnitee. Borrower's and the REIT's obligations under this Section shall survive the termination of this Agreement and the payment of the Obligations.

Section 9.02 Notices. Except as otherwise by expressly provided herein, all notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by facsimile, telex, or cable communication), and shall be deemed to have been duly given or made when delivered by hand, or five (5) days after being deposited in the United States mail, certified or registered, postage prepaid, or, in the case of telex notice, when sent, answerback received, or, in the case of facsimile notice, when sent, answerback received, or, in the case of a nationally recognized overnight courier service, one (1) Business Day after delivery to such courier service, addressed, in the case of Borrower, Agent and the Syndication Agent, at the addresses specified below, or to such other addresses as may be designated by any party in a written notice to the other parties hereto, Syndication Agent, as follows:

If to Agent or Syndication Agent as follows:

Lehman Brothers Holdings Inc.
d/b/a Lehman Capital, a division of
Lehman Brothers Holdings Inc.
Three World Financial Center, 8th Floor
New York, New York 10285
Telecopier Number: (212) 526-7423
Attention: David Juge

and to

Hatfield Philips Inc.
285 Peachtree Center Avenue
Marquis Two Tower
Atlanta, Georgia 30303
Telecopier Number: (404) 420-5610
Attention: Mr. Greg Winchester

with copies thereof, with respect to all notices delivered in accordance with Section 2, to:

Lehman Brothers, Inc.
101 Hudson Street
Jersey City, New Jersey 07302

Telecopier Number: (201) 524-4439
Attention: Mr. Chris Czako

If to Borrower or the REIT, as follows:

SL Green Operating Partnership, L.P.
70 West 36/th/ Street
New York, New York 10018
Attention: Benjamin P. Feldman, Esq.
Facsimile No. (212) 594-0086

with a copy to:

Greenberg, Traurig, Hoffman, Lipoff, Rosen & Quentel
200 Park Avenue
New York, New York 10166
Attention: Robert J. Ivanhoe, Esq.
Facsimile No. (212) 801-6400

Section 9.03 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of Borrower, the REIT, Agent, the Syndication Agent, the Co-Lenders, all future holders of the Note and their respective successors and assigns.

Section 9.04 Amendments and Waivers. (a) Neither this Agreement, the Note, any other Loan Document to which Borrower, the REIT or any other Loan Party is a party nor any terms hereof or thereof may be amended, supplemented, modified or waived other than in a writing executed by Borrower, the REIT, any other applicable Loan Party and Agent. If all or a portion of the Loan and the Facility Amount is sold to a Co-Lender pursuant to Section 9.09, the Borrower and the REIT acknowledge and agree that any amendment, modification approval, waiver or request to be granted regarding the terms of this Agreement shall be given in accordance with the terms, provisions and conditions of this Agreement and the intercreditor agreement to be entered into between Lender, as Agent, and each Co-Lender (the "Intercreditor Agreement"), provided that such terms, provisions and conditions shall have been disclosed to Borrower and the REIT; Lender agrees that the terms of such Intercreditor Agreement shall not be inconsistent with this Agreement, the other Loan Documents or the Assignment and Assumption and in the event of any such inconsistency the terms of this Agreement shall control. The parties hereto acknowledge and agree that after the occurrence of a Syndication, any amendment, modification, approval, waiver or request to be granted regarding the terms of this Agreement shall be given in accordance with the terms, provisions and conditions of the Intercreditor Agreement. The authority of Agent to act as Agent hereunder arises pursuant to and is governed by the Intercreditor Agreement and this Agreement.

(b) In the case of any waiver, Borrower, the REIT, Agent and all Co-Lenders shall be restored to their former position and rights hereunder and under the outstanding Note and any other Loan Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon.

(c) Borrower acknowledges and agrees that this Agreement amends and restates the terms and conditions of the Interim Loan Agreement in its entirety and that the Collateral Account Agreement (as defined in the Interim Loan Agreement) is terminated.

Section 9.05 No Waiver; Remedies Cumulative. No failure or delay on the part of Agent or any Co-Lender in exercising any right, power or privilege hereunder or under any other Loan Document and no course of dealing between Borrower or any other Loan Party and Agent or any Co-Lender shall operate as a waiver thereof nor shall any single or partial exercise of any right, power or privilege hereunder or under any other Loan Document preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder or thereunder. The rights and remedies herein expressly provided are cumulative and not exclusive of any rights or remedies which Agent or any Co-Lender would otherwise have, absent a requirement or provision therefor in any Loan Documents. No notice to or demand on Borrower or any other Loan Party shall in any case entitle Borrower or any other Loan Party to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of Agent or any Co-Lender, to any other or further action in any circumstances without notice or demand.

Section 9.06 Governing Law; Submission to Jurisdiction. (a) This Agreement shall be deemed to be a contract entered into pursuant to the laws of the State of New York and shall in all respects be governed, construed, applied and enforced in accordance with the laws of the State of New York, provided however, that with respect to the creation, perfection, priority and enforcement of the lien of the Security Instruments, and the determination of deficiency judgments, the laws of the State where the Real Property Asset is located shall apply.

(b) Any legal action or proceeding with respect to this Agreement or any other Loan Document and any action for enforcement of any judgment in respect thereof may be brought in the courts of the State of New York or of the United States of America for the Southern District of New York, and, by execution and delivery of this Agreement, Borrower and the REIT hereby accept for themselves and in respect of their property, generally and unconditionally, the non-exclusive jurisdiction of the aforesaid courts and appellate courts from any thereof. Borrower and the REIT irrevocably consent to the service of process out of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to Borrower and the REIT at their addresses set forth in Section 9.02. Borrower and REIT hereby irrevocably waive any objection which they may now or hereafter have to the laying of venue of any of the aforesaid actions or proceedings arising out of or in connection with this Agreement or any other Loan Document brought in the courts referred to above and hereby further irrevocably waive and agree not to plead or claim in any such court that any such action or proceeding brought in any such court has been brought in an inconvenient forum. Nothing herein shall affect the right of Agent or any Co-Lender, to serve process in any other manner permitted by law or to commence legal proceedings or otherwise proceed

against Borrower or the REIT in any other jurisdiction.

Section 9.07 Confidentiality Disclosure of Information. Each party hereto shall treat the transactions contemplated hereby and all financial and other information furnished to it about Borrower, the other Loan Parties and the Real Property Assets, as confidential; provided, however, that such confidential information may be disclosed (a) as required by law or pursuant to generally accepted accounting procedures, (b) to officers, directors, employees, agents, partners, investors, attorneys, accountants, engineers, other consultants, Affiliates and Co-Lenders of the parties hereto who need to know such information, provided such Persons are instructed to treat such information confidentially, (c) by Agent or the Syndication Agent on a similar confidential basis to any Participant, Affiliate, Co-Lender, servicer, or assignee ("Transferee"), which disclosure to Transferees and prospective Transferees may include any and all information which has been delivered to Agent or the Syndication Agent by Borrower or any other Loan Party pursuant to this Agreement or the other Loan Documents or which has been delivered to Agent or the Syndication Agent in connection with Agent's or the Syndication Agent's or the Co-Lenders' credit evaluation of Borrower and the REIT prior to entering into this Agreement, or (d) upon the written consent of the party whose otherwise confidential information would be disclosed.

Borrower and the REIT acknowledge and agree that Agent and the Syndication Agent may provide to the Co-Lenders, and that Agent, the Syndication Agent and each of the Co-Lenders may provide to any Participant, originals or copies of this Agreement, all Loan Documents and all other documents, instruments, certificates, opinions, insurance policies, letters of credit, reports, requisitions and other materials and information of every nature or description, and may communicate all oral information, at any time submitted by or on behalf of Borrower, the REIT or any other Loan Party or received by Agent or the Syndication Agent in connection with the Loan or Borrower or any other loan Party.

Section 9.08. Recourse. The Loan and the Obligations shall be full recourse to Borrower and the REIT.

Section 9.09. Sale of Loan, Co-Lenders, Participations and Servicing.

(a) Lender and any Co-Lender may, at their option, sell with novation all or any part of their right, title and interest in, and to, and under the Loan, including, without limitation, all or a portion of their obligation to make Advances, and its interest in the outstanding principal balance of the Loan, to one or more additional Co-Lenders; if no Event of Default has occurred and is continuing, each Co-Lender shall be subject to the prior written approval of Borrower, which approval shall not be unreasonably withheld or delayed. Each additional Co-Lender shall enter into an assignment and assumption agreement (the "Assignment and Assumption") assigning a portion of Lender's or Co-Lender's rights and obligations under the Loan, and pursuant to which the additional Co-Lender accepts such assignment and assumes the assigned obligations. From and after the effective date specified in the Assignment and Assumption (i) each Co-Lender shall be a party hereto and to each Loan Document to the extent of the applicable percentage or percentages set forth in the Assignment and Assumption and, except as specified otherwise herein, shall succeed to the rights and obligations of Lender and the Co-Lenders hereunder and thereunder in respect of the Loan (including, without limitation, its pro rata share of Lender's and each Co-Lenders' obligations to make Advances hereunder), and (ii) Lender, as lender and each Co-Lender, as applicable, shall, to the extent such rights and obligations have been assigned and assumed by it pursuant to such Assignment and Assumption, relinquish its rights and be released from its obligations hereunder and under the Loan Documents. Each prospective Co-Lender that has been approved by Borrower pursuant to this Section 9.09(a) that becomes a Co-Lender shall have the right to assign its entire Pro Rata Interest in the Loan to an Affiliate thereof, provided that such Affiliate complies with the other requirements of this Section 9.09(a).

(b) Intentionally Deleted.

(c) Borrower agrees that it shall, in connection with any sale of all or any portion of the Loan, whether in whole or to an additional Co-Lender or Participant (a "Syndication"), within ten (10) business days after requested by Agent or the Syndication Agent, furnish Agent or the Syndication Agent with the certificates required under Section 9.22(a) and (b) and such other information as reasonably requested by any additional Co-Lender or Participant in performing its due diligence in connection with its purchase of an interest in the Loan and the Facility Amount.

(d) If for any reason the Agent, as a Co-Lender, but not as an Agent, or any of the other Co-Lenders shall fail or refuse to (i) make timely payment to any other party of any amount required to be paid by it hereunder or under the Loan Documents, or (ii) abide by its other obligations under this Agreement or the other Loan Documents within two (2) Business Days after receipt of notice that the Agent has determined that such Co-Lender has so failed or refused (or in the case of the Agent in its capacity as Co-Lender, after receipt of notice that the Majority Co-Lenders have determined that the Agent in its capacity as Co-Lender has so failed or refused) (each a "Defaulting Co-Lender"), then, in addition to the rights and remedies that may be available to the Agent and the other Co-Lenders at law and in equity, such Defaulting Co-Lender's right to participate in the administration of the

Loan and the Loan Documents, including without limitation, any rights to consent to or direct any action or inaction of the Agent or to be taken into account in the calculation of Majority Co-Lenders, shall be suspended during the pendency of such failure or refusal.

(e) Lender (or an Affiliate of Lender) shall act as administrative agent for itself and the Co-Lenders (together with any successor administrative agent, the "Agent") pursuant to this Section 9.09(e). Borrower acknowledges that Lender, as Agent shall have the sole and exclusive authority to execute and perform this Agreement and each Loan Document on behalf of itself, as Lender and as agent for itself and the Co-Lenders subject to the terms of the Intercreditor Agreement. Except as otherwise provided herein, Borrower shall have no obligation to recognize or deal directly with any Co-Lender, and no Co-Lender shall have any right to deal directly with Borrower with respect to the rights, benefits and obligations of Borrower under this Agreement, the Loan Documents or any one or more documents or instruments in respect thereof. Borrower may rely conclusively on the actions of Lender as Agent to bind Lender and the Co-Lenders, notwithstanding that the particular action in question may, pursuant to this Agreement or any Intercreditor Agreement among Agent and the Co-Lenders, be subject to the consent or direction of the Co-Lenders. Lender may resign as Agent of the Co-Lenders, in its sole discretion, without the consent of Borrower. Upon any such resignation, a successor Agent shall be determined pursuant to the terms of the Intercreditor Agreement.

Notwithstanding any provision to the contrary in this Agreement, neither the Agent nor the Syndication Agent shall have any duties or responsibilities except those expressly set forth herein and in the Intercreditor Agreement and no covenants, functions, responsibilities, duties, obligations or liabilities of Agent or the Syndication Agent shall be implied by or inferred from this Agreement, the Intercreditor Agreement, or any other Loan Document, or otherwise exist against Agent or the Syndication Agent.

(f) Except to the extent its obligations hereunder and its interest in the Loan have been assigned pursuant to one or more Assignments and Assumption, Lehman, as Syndication Agent and Agent, shall have the same rights and powers under this Agreement as any other Co-Lender and may exercise the same as though it were not the Syndication Agent or Agent, respectively. The term "Co-Lender" or "Co-Lenders" shall, unless otherwise expressly indicated, include Lehman in its individual capacity. Lehman and the other Co-Lenders and their respective affiliates may accept deposits from, lend money to, act as trustee under indentures of, and generally engage in any kind of business with, Borrower, any Loan Party or any Affiliate of Borrower or any Loan Party and any Person or entity who may do business with or own securities of Borrower or any Loan Party or any Affiliate of Borrower or any Loan Party or any Affiliate thereof, all as if they were not serving in such capacities hereunder and without any duty to account therefor to each other.

(g) Intentionally Deleted.

(h) Lender, as Agent, shall maintain at its domestic lending office or at such other location as Lender, as Agent, shall designate in writing to each Co-Lender and Borrower a copy of each Assignment and Assumption delivered to and accepted by it and a register for the recordation of the names and addresses of the Co-Lenders, the amount of each Co-Lender's proportionate share of the Facility Amount and the Loan and the name and address of each Co-Lender's agent for service of process (the "Register"). The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and Borrower, Lender, as Agent, and the Co-Lenders may treat each person or entity whose name is recorded in the Register as a Co-Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection and copying by Borrower or any Co-Lender during normal business hours upon reasonable prior notice to the Agent. A Co-Lender may change its address and its agent for service of process upon written notice to Lender, as Agent, which notice shall only be effective upon actual receipt by Lender, as Agent, which receipt will be acknowledged by Lender, as Agent, upon request.

(i) Notwithstanding anything herein to the contrary, any financial institution or other entity may be sold a participation interest in the Loan by Lender or any Co-Lender without Borrower's consent (such financial institution or entity, a "Participant") (x) if such sale is without novation and (y) if the other conditions set forth in this paragraph are met. No Participant shall be considered a Co-Lender hereunder or under the Note or the Loan Documents. No Participant shall have any rights under this Agreement, the Note or any of the Loan Documents and the Participant's rights in respect of such participation shall be solely against Lender or Co-Lender, as the case may be, as set forth in the participation agreement executed by and between Lender or Co-Lender, as the case may be, and such Participant. The terms of any participation agreement between Lender or Co-Lender, as the case may be, and its Participant shall not grant the Participant any consent rights except for consent to (i) changes in the interest rate and term of the Loan, (ii) increase in the principal amount of the Loan (except for protective advances), (iii) release of any party liable for repayment of the Loan, (iv) forbearance, (v) consents to Liens other than Permitted Liens on the Real Property Assets or the Rents related thereto, (vi) the acceleration of the Loan or the taking of any enforcement action with respect to the Loan. No participation shall relieve Lender or Co-Lender, as the case may be, from its obligations hereunder or under the Note or the Loan Documents and Lender or Co-Lender, as the case may be, shall remain solely responsible for the performance of its obligations hereunder.

(j) Notwithstanding any other provision set forth in this

Agreement, the Lender or any Co-Lender may at any time create a security interest in all or any portion of its rights under this Agreement (including, without limitation, amounts owing to it in favor of any Federal Reserve Bank in accordance with Regulation A of the Board of Governors of the Federal Reserve System), provided that no such security interest or the exercise by the secured party of any of its rights thereunder shall release Lender or Co-Lender from its funding obligations hereunder.

Section 9.10 Borrower's and the REIT's Assignment. Neither
Borrower nor the REIT may assign its rights or obligations hereunder without the prior written consent of Agent and all of the Co-Lenders.

Section 9.11 Counterparts. This Agreement may be executed in any
number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument.

Section 9.12 Effectiveness. This Agreement shall become
effective on the date on which all of the parties hereto shall have signed a counterpart hereof and shall have delivered the same to the Syndication Agent.

Section 9.13 Headings Descriptive. The heading of the several
Sections and subsections of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

Section 9.14 Marshaling; Recapture. Agent shall be under no
obligation to marshal any assets in favor of Borrower, any other Loan Party or any other party or against or in payment of any or all of the Obligations. To the extent Agent receives any payment by or on behalf of Borrower or any other Loan Party, which payment or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to Borrower or such other Loan Party or its estate, trustee, receiver, custodian or any other party under any bankruptcy law, state or federal law, common law or equitable cause, then to the extent of such payment or repayment, the obligation or part thereof which has been paid, reduced or satisfied by the amount so repaid shall be reinstated by the amount so repaid and shall be included (other than for interest calculations) within the liabilities of Borrower or such other Loan Party to Agent and the Co-Lenders as of the date such initial payment, reduction or satisfaction occurred.

Section 9.15 Severability. In case any provision in or obligation
under this Agreement or the Note or the other Loan Documents shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

Section 9.16 Survival. Except as expressly provided to the
contrary herein, all indemnities set forth herein including, without limitation, in Sections 2.16, 2.17, 2.18, 2.19 and 9.01 shall survive the execution and delivery of this Agreement, the Note and the Loan Documents and the making and repayment of the Loan hereunder.

Section 9.17 Domicile of Loan Portions. Lender and the Co
Lenders may transfer and carry any Loan Portion at, to or for the account of any domestic or foreign branch office, subsidiary or affiliate, subject to Section 2.19.

Section 9.18 Intentionally Deleted.

Section 9.19 Calculations; Computations. Except as otherwise
expressly provided herein, the financial statements to be furnished to Agent or the Syndication Agent pursuant hereto shall be made and prepared in accordance with GAAP consistently applied throughout the periods involved and consistent with GAAP as used in the preparation of the financial statements referred to in Section 4.05.

SECTION 9.20 WAIVER OF TRIAL BY JURY. TO THE EXTENT PERMITTED
BY APPLICABLE LAW, BORROWER, AGENT AND ALL CO-LENDERS EACH HEREBY IRREVOCABLY WAIVES ALL RIGHT OF TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR ANY MATTER ARISING HEREUNDER OR THEREUNDER.

Section 9.21 No Joint Venture. Notwithstanding anything to the
contrary herein contained, neither Agent, the Syndication Agent nor any Co-Lender by entering into this Agreement or by taking any action pursuant hereto, will not be deemed a partner or joint venturer with Borrower or the REIT or any Loan Party and Borrower and the REIT agree to hold Agent, the Syndication Agent and each Co-Lender harmless from any damages and expenses resulting from such a construction of the relationship of the parties hereto

or any assertion thereof.

Section 9.22 Estoppel Certificates. (a) Borrower, the REIT and Agent, each hereby agree at any time and from time to time upon not less than ten (10) days prior written notice by Borrower, the REIT or Agent, to execute, acknowledge and deliver to the party specified in such notice, a statement, in writing, certifying whether this Agreement is unmodified (or if there have been modifications stating the modifications hereto), and stating whether or not, to the best knowledge of such certifying party, any Default or Event of Default has occurred and is then continuing, and, if so, specifying each such Default or Event of Default; provided, however, that it shall be a condition precedent to Lender's obligation, as Agent, to deliver the statement pursuant to this Section, that Agent shall receive, together with Borrower's request for such statement, a certificate of a general partner or senior executive officer of Borrower and the REIT, stating that to the best knowledge of such certifying party, no Default or Event of Default exists as of the date of such certificate (or specifying such Default or Event of Default).

(b) Within five (5) Business Days of Agent's request, Borrower shall execute and deliver a certificate of the general partner of Borrower and the REIT or senior executive officer of Borrower and the REIT confirming the then aggregate outstanding principal balance of the Loan, the outstanding principal balance of each Eurodollar Portion and the Base Rate Portion, the Contract Rate for each Loan Portion, the dates to which all interest has been paid, and the Interest Period for each Eurodollar Portion. Such statement shall be binding and conclusive on Borrower and the REIT absent manifest error.

(c) Agent on behalf of the Co-Lenders agrees at any time and from time to time upon not less than ten (10) days prior written notice by Borrower, to execute, acknowledge and deliver to the party specified in such notice, a statement, in writing, stating (i) the then current outstanding principal balance under this Agreement, (ii) the Contract Rate and the interest rate of each outstanding Loan Portion, (iii) whether it has delivered any notices of default under this Agreement and (iv) whether this Agreement is unmodified, and if there have been modifications, stating the modifications hereto).

Section 9.23 No Other Agreements. The Loan Documents constitute the entire understanding of the parties with respect to the transactions contemplated hereby, and all prior understandings with respect thereto, whether written or oral, shall be of no force and effect.

Section 9.24 Controlling Document. In the event of a conflict between the provisions of this Agreement and the other Loan Documents, the provisions of this Agreement shall control and govern the conflicting provisions of the other Loan Documents.

Section 9.25 No Benefit to Third Parties. This Agreement is for the sole and exclusive benefit of Borrower, the REIT, and Agent, the Syndication Agent and the Co-Lenders and all conditions of the obligation of Lender and the Co-Lenders to make Advances hereunder are imposed solely and exclusively for the benefit of Lender and the Co-Lenders and their assigns and no other person shall have standing to require satisfaction of such conditions in accordance with their terms or be entitled to assume that Lender and the Co-Lenders will refuse to make Advances in the absence of strict compliance with any and all thereof and no other person shall under any circumstances be deemed to be a beneficiary of such conditions, any or all of which may be freely waived in whole or in part by Agent and the Co-Lenders at any time if they in their sole discretion deem it advisable to do so. Without limiting the generality of the foregoing, neither Agent nor the Co-Lenders shall have any duty or obligation to anyone to ascertain that funds advanced hereunder are used as required by the terms hereof or to pay the cost of constructing the improvements on any of the Real Property Assets or to acquire materials and supplies to be used in connection therewith or to pay costs of owning, operating and maintaining same.

Section 9.26 Joint and Several. Borrower and the REIT are each jointly and severally liable for the payment in full of the Loan and all other sums owing under this Agreement, the Note, and any other Loan Documents and the performance of all of the Obligations.

(NO FURTHER TEXT ON THIS PAGE)

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

SL GREEN OPERATING PARTNERSHIP, L.P., a Delaware limited partnership

By: SL GREEN REALTY CORP., a Maryland corporation, its general partner

By: /s/ David J. Nettina

David J. Nettina

Chief Financial Officer

By: /s/ Benjamin P. Feldman
Benjamin P. Feldman
Executive Vice President

SLG GRAYBAR LLC, a New York limited liability company

By: SLG GRAYBAR 2 LLC, a New York limited liability company, its managing member

By: SL GREEN OPERATING PARTNERSHIP, L.P., a Delaware limited partnership, its managing member

By: SL GREEN REALTY CORP., a Maryland corporation, its general partner

By: /s/ David J. Nettina
David J. Nettina
Chief Financial Officer

By: /s/ Benjamin P. Feldman
Benjamin P. Feldman
Executive Vice President

SLG GRAYBAR 2 LLC, a New York limited liability company

By: SL GREEN OPERATING PARTNERSHIP, L.P., a Delaware limited partnership, its managing member

By: SL GREEN REALTY CORP., a Maryland corporation, its general partner

By: /s/ David J. Nettina
David J. Nettina
Chief Financial Officer

By: /s/ Benjamin P. Feldman
Benjamin P. Feldman
Executive Vice President

NEW GREEN 1140 REALTY LLC, a New York limited liability company

By: SL GREEN OPERATING PARTNERSHIP, L.P., a Delaware limited partnership, its managing member

By: SL GREEN REALTY CORP., a Maryland corporation, its general partner

By: /s/ David J. Nettina
David J. Nettina
Chief Financial Officer

By: /s/ Benjamin P. Feldman
Benjamin P. Feldman
Executive Vice President

SLG 17 BATTERY LLC, a New York limited liability company

By: SL GREEN OPERATING PARTNERSHIP, L.P., a Delaware limited partnership, its managing member

By: SL GREEN REALTY CORP., a Maryland corporation, its general partner

By: /s/ David J. Nettina
David J. Nettina
Chief Financial Officer

By: /s/ Benjamin P. Feldman

Benjamin P. Feldman
Executive Vice President

SL GREEN REALTY CORP., a Maryland corporation

By: /s/ David J. Nettina

David J. Nettina
Chief Financial Officer

By: /s/ Benjamin P. Feldman

Benjamin P. Feldman
Executive Vice President

EXHIBIT A

NOTICE OF BORROWING

SL GREEN OPERATING PARTNERSHIP, L.P.
SL GREEN REALTY CORP.
70 West 36/th/ Street
New York, New York 10018

_____, 19_____

_____
_____
_____

Ladies and Gentlemen:

We refer to that certain Loan Agreement dated as of _____ __, 1998 between us and you (the "Loan Agreement"). This certificate is delivered to you pursuant to Section 2.02 of the Loan Agreement as one of the inducements for an Advance in the amount of $_____, which will bring the total unpaid principal balance of the Note to $_____. All capitalized terms used herein shall have the same meanings herein as they have in the Loan Agreement.

In order to induce you to make this advance, we hereby represent and certify as follows:

1. No Default or Event of Default has occurred and is continuing under the Loan Agreement, the Note, or any other Loan Documents or would result from the proposed Advance or would result from the application of the proceeds therefrom.

2. Each of the representations and warranties set forth in the Loan Agreement, the Note, and all other Loan Documents are true and correct in all material respects as of the date hereof (other than such representations and warranties that by their terms refer to a date other than the date of such Advance).

3. All conditions in the Loan Agreement, the Note, and all other Loan Documents to an Advance will be satisfied after giving effect to the Advance hereby requested, including, without limitation, compliance with the Financial Covenants.

The undersigned hereby notifies you that the date of the Borrowing shall be _____ of the Advance shall be utilized for _____).

(SL GREEN OPERATING PARTNERSHIP L.P.)
(SL GREEN REALTY CORP.)

By:

Name:
Title:

EXHIBIT B

CONSOLIDATED AMENDED AND RESTATED PROMISSORY NOTE

$275,000,000.00 New York, New York

As of March ____, 1998

FOR VALUE RECEIVED SL GREEN OPERATING PARTNERSHIP, L.P. (the "Partnership"), SLG GRAYBAR LLC (the "Graybar LLC"), SLG GRAYBAR 2 LLC (the "Member LLC"), NEW GREEN 1140 REALTY LLC (the "Green LLC"), SLG 17 BATTERY LLC (the "17 LLC") and SL GREEN REALTY CORP. (the "REIT"; the Partnership, the Graybar LLC, the Member LLC, the Green LLC, the 17 LLC and the REIT are hereinafter referred to, individually and collectively, as the context requires as, the "Borrower") each having an address at 70 West 36/th/ Street, New York, New York 10018 hereby unconditionally promise to pay to the order of LEHMAN BROTHERS HOLDINGS INC. D/B/A LEHMAN CAPITAL, A DIVISION OF LEHMAN BROTHERS HOLDINGS INC., a Delaware corporation, having an address at Three World Financial Center, 200 Vesey Street, New York, New York 10285 ("Lehman") individually as a Co-Lender and as Agent for one or more Co-Lenders and as Syndication Agent (Lehman, as a Co-Lender, hereinafter referred to as "Holder") the principal sum of TWO HUNDRED SEVENTY-FIVE MILLION AND 00/100 DOLLARS ($275,000,000.00) with interest from the date hereof at the rates set forth in that certain Loan Agreement dated the date hereof between Borrower, SL Green Realty Corp. (the "REIT") and Lehman (the "Loan Agreement"), principal (as so much thereof as may be advanced and unpaid) and interest to be payable in accordance with the terms and conditions provided herein and the Loan Agreement, and otherwise subject to all other terms and conditions contained in the Loan Agreement, until such principal amount is paid in full.

This Note evidences the new and additional indebtedness of $125,486,084.80 and also the existing indebtedness of $149,513,915.20 remaining unpaid on, and previously evidenced by, the bonds, notes or obligations, including any supplemental or replacement notes, if any, secured by the those certain mortgages described on Schedule 1 hereto (the "Existing Indebtedness") contemporaneously assigned to Lender; it being the intention of this Note that it shall constitute both a renewal, extension and modification, amendment and restatement of the terms of payment of such Existing Indebtedness and also an expression of the terms of payment of such new and additional indebtedness.

The whole of the principal sum of this Note, together with all interest accrued and unpaid thereon and all other sums due under the Loan Agreement, the Security Instruments covering the Mortgaged Assets (as defined in the Loan Agreement), the other Loan Documents (as defined in the Loan Agreement) and this Note (all such sums hereinafter collectively referred to as the "Debt") shall, at the election of the Holder and without notice, become immediately due and payable upon an occurrence of an Event of Default in accordance with the terms of the Loan Agreement. All of the terms, covenants and conditions contained in the Loan Documents are hereby made a part of this Note to the same extent and with the same force as if they were fully set forurrence of an Event of Default or upon the failure of Borrower to pay the Debt in full on demand on the Maturity Date, Holder shall be entitled to receive and Borrower shall pay interest on the entire unpaid principal sum at the Default Rate pursuant to the terms of the Loan Agreement. The Default Rate shall be computed from the occurrence of the Event of Default until the earlier of the date upon which the Event of Default is cured or the date upon which the Debt is paid in full. This charge shall be added to the Debt, and shall be deemed secured by the Security Instrument. This clause, however, shall not be construed as an agreement or privilege to extend the date of the payment of the Debt, nor as a waiver of any other right or remedy accruing to Holder by reason of the occurrence of any Event of Default.

This Note is the Note referred to in the Loan Agreement and is entitled to the benefits thereof and shall be subject to the provisions thereof. As provided in the Loan Agreement, this Note is subject to voluntary prepayments, in whole or in part, from time to time upon the occurrence of the events specified therein. This Note is secured by the Security Instrument and the other Loan Documents (both as defined in the Loan Agreement).

Whenever used, the singular number shall include the plural, the plural the singular, and the words "Holder", "Borrower" and the REIT shall include their respective successors, assigns, heirs, executors and administrators, including additional Co-Lenders pursuant to the terms of the Loan Agreement.

This Note is subject to the express condition that at no time shall Borrower be obligated or required to pay interest on the principal balance due hereunder at a rate which could subject Holder to either civil or criminal liability as a result of being in excess of the Maximum Legal Rate. If by the terms of this Note, Borrower is at any time required or obligated to pay interest on the principal balance due hereunder at a rate in excess the Maximum Legal Rate, the interest rates set forth in the Loan Agreement or the Default Rate, as the case may be, shall be deemed to be immediately reduced to such Maximum Legal Rate and all previous payments in excess of the Maximum Legal Rate shall be deemed to have been payments in reduction of principal and not on account of the interest due hereunder. All sums paid or agreed to be paid to Holder for the use, forbearance, or detention of the Debt, shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full stated term of the Note until payment in full so that the rate or amount of interest on account of the Debt does not exceed the Maximum Legal Rate from time to time in effect and applicable to the Debt for so long as the Debt is outstanding.

This Note may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Borrower or Holder, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver,

extension, change, discharge or termination is sought.

Subject to the recourse limitations and obligations set forth in Section 9.08 of the Loan Agreement, the Debt and the Obligations shall be full recourse to Borrower and the REIT.

Borrower and all others who may become liable for the payment of all or any part of the Debt do hereby severally waive presentment and demand for payment, notice of dishonor, protest and notice of protest and non-payment. No release of any security for the Debt or extension of time for payment of this Note or any installment hereof, and no alteration, amendment or waiver of any provision of the Loan Documents made by agreement between Holder and any other person or party shall release, modify, amend, waive, extend, change, discharge, terminate or affect the liability of Borrower, and any others who may become liable for the payment of all or any part of the Debt, under the Loan Documents.

This Note shall be governed and construed in accordance with the laws of the State of New York and the applicable laws of the United States of America.

(NO FURTHER TEXT ON THIS PAGE)

IN WITNESS WHEREOF, Borrower has duly executed and delivered this Note the day and year first above written.

SL GREEN OPERATING PARTNERSHIP, L.P., a Delaware limited partnership

By: SL GREEN REALTY CORP., a Maryland corporation, its general partner

By: _____
David J. Nettina
Chief Financial Officer

By: _____
Benjamin P. Feldman
Executive Vice President

SLG GRAYBAR LLC, a New York limited liability company

By: SLG GRAYBAR 2 LLC, a New York limited liability company, its managing member

By: SL GREEN OPERATING PARTNERSHIP, L.P., a Delaware limited partnership, its managing member

By: SL GREEN REALTY CORP., a Maryland corporation, its general partner

By: _____
David J. Nettina
Chief Financial Officer

By: _____
Benjamin P. Feldman
Executive Vice President

SLG GRAYBAR 2 LLC, a New York limited liability company

By: SL GREEN OPERATING PARTNERSHIP, L.P., a Delaware limited partnership, its managing member

By: SL GREEN REALTY CORP., a Maryland corporation, its general partner

By: _____
David J. Nettina
Chief Financial Officer

By: _____
Benjamin P. Feldman
Executive Vice President

NEW GREEN 1140 REALTY LLC, a New York limited liability company

By: SL GREEN OPERATING PARTNERSHIP, L.P., a Delaware limited partnership, its managing member

By: SL GREEN REALTY CORP., a Maryland corporation, its general partner

By: _____
David J. Nettina
Chief Financial Officer

By: _____
Benjamin P. Feldman
Executive Vice President

SLG 17 BATTERY LLC, a New York limited liability company

By: SL GREEN OPERATING PARTNERSHIP, L.P., a Delaware limited partnership, its managing member

By: SL GREEN REALTY CORP., a Maryland corporation, its general partner

By: _____
David J. Nettina
Chief Financial Officer

By: _____
Benjamin P. Feldman
Executive Vice President

SL GREEN REALTY CORP., a Maryland corporation

By: _____
David J. Nettina
Chief Financial Officer

By: _____
Benjamin P. Feldman
Executive Vice President

ACKNOWLEDGMENT

(to be attached)

SCHEDULE 1

(To be Attached)

EXHIBIT C

Intentionally Deleted

EXHIBIT D

Intentionally Deleted

EXHIBIT E

NOTICE OF VOLUNTARY PREPAYMENT

_____, 19_____

_____
_____

_____

Ladies and Gentlemen:

We refer to that certain Loan Agreement dated as of _____, 1998 between us and you (the "Loan Agreement"). This certificate is delivered to you pursuant to Section 2.11 of the Loan Agreement. All capitalized terms used herein shall have the same meanings herein as they have in the Loan Agreement.

In order to induce you to accept this prepayment, we hereby represent and certify as follows:

1. No Default or Event of Default has occurred and is continuing under the Loan Agreement, the Note, or any other Loan Document or would result from the prepayment described herein.

2. Each of the representations and warranties set forth in the Loan Agreement, the Note, and all other Loan Documents are true and correct in all material respects as of the date hereof (other than such representations and warranties that by their terms refer to a date other than the date of such prepayment).

The undersigned hereby notifies you that it has elected to prepay $_____.

(SL GREEN OPERATING PARTNERSHIP L.P.)
(SL GREEN REALTY CORP.)

By:

Name:
Title:

EXHIBIT F

ASSIGNMENT OF MANAGEMENT AGREEMENT AND SUBORDINATION OF MANAGEMENT FEES

THIS ASSIGNMENT OF MANAGEMENT AGREEMENT AND SUBORDINATION OF MANAGEMENT FEES ("Assignment") is made as of the _____ day of March, 1998, by SL GREEN OPERATING PARTNERSHIP, L.P. (the "Partnership"), SLG GRAYBAR LLC (the "Graybar LLC"), NEW GREEN 1140 REALTY LLC (the "Green LLC"), and SLG 17 BATTERY LLC (the "17 LLC") (the Partnership, the Graybar LLC, the Green LLC and the 17 LLC are hereinafter referred to, individually and collectively, as the context requires, as "Borrower") and LEHMAN BROTHERS HOLDINGS INC. D/B/A LEHMAN CAPITAL, A DIVISION OF LEHMAN BROTHERS HOLDINGS INC., a Delaware corporation, having an address at Three World Financial Center, 200 Vesey Street, New York, New York 10285, individually as a Co-Lender ("Lehman") and as Agent for one or more Co-Lenders ("Agent") and as Syndication Agent (Agent, Syndication Agent and the Co-Lenders are hereinafter referred to as the "Lender"), and is acknowledged and consented to by SL GREEN MANAGEMENT LLC, a New York limited liability company ("Green LLC") and SL GREEN MANAGEMENT CORP., a New York corporation ("Green Corp.") and SL GREEN LEASING, INC., a New York Corporation ("Leasing") each having its principal place of business at 70 West 36/th/ Street, New York, New York 10013 (Green LLC, Green Corp., and Leasing, collectively, the "Manager").

RECITALS:

A. Borrower and the REIT (hereinafter defined) by their promissory note of even date herewith given to the Lender (such note, together with all extensions, renewals, modifications, substitutions and amendments thereof shall collectively be referred to herein as the "Note") are indebted to the Lender in the principal sum of $275,000,000.00 in lawful money of the United States of America, or so much as may be advanced and unpaid pursuant to the terms of the Loan Agreement (hereinafter defined), with interest from the date thereof at the rates set forth in the Note. The indebtedness evidenced by the Note, together with such interest accrued thereon, shall collectively be referred to as the "Loan". Principal and interest under the Note shall be payable in accordance with the terms and conditions provided in the Note.

B. The Loan is subject to the terms and conditions of that certain Loan Agreement of even date herewith between Borrower, SL Green Realty Corp. (the "REIT") and the Lender (the "Loan Agreement") and the terms and conditions of that certain Agreement of Spreader, Consolidation and Modification of Mortgage of even date herewith (the "Security Instrument") which grants Lender a first lien on the property encumbered thereby (individually and collectively, as the context may require, the "Property"). All and any of the documents other than the Note, the Security Instrument, the Loan Agreement and this Assignment now or hereafter executed by Borrower, the REIT and/or others and by or in favor of the Lender, which wholly or partially secure or guarantee payment of the Note are referred to as the "Other Loan Documents."

C. Pursuant to a certain management agreement dated _____ between _____ and _____ and that certain

management agreement dated _____, between Borrower, _____ and _____ (collectively the "Management Agreement") (a true and correct copy of each Management Agreement is attached hereto as Exhibit A), Borrower employed Manager exclusively to rent, lease, operate and manage certain of the Property, and Manager is entitled to certain management fees, other fees and commissions thereunder (the "Management Fees").

D. The Lender requires, as a condition to the making of the Loan that Borrower assign the Management Agreement and that Manager subordinate its interest in the Management Fees in lien and payment to the Loan Agreement as set forth below.

E. All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Loan Agreement.

AGREEMENT:

For good and valuable consideration the parties hereto agree as follows:

1. Assignment of Management Agreement. As additional collateral security for the Loan, Borrower hereby conditionally transfers, sets over and assigns to the Lender all of Borrower's right, title and interest in and to the Management Agreement, said transfer and assignment to automatically become a present, unconditional assignment, at the Lender's option, in the event of a default by Borrower under the Note, the Loan Agreement, the Security Instrument or any of the Other Loan Documents, including but not limited to escrow agreements, and the failure of Borrower to cure such default within any applicable grace period.

2. Subordination of Management Fees. The Management Fees and all rights and privileges of Manager to the Management Fees are hereby and shall at all times continue to be subject and unconditionally subordinate in all respects in lien and payment to the lien and payment of the Note, the Security Instrument, the Loan Agreement, and the Other Loan Documents and to any renewals, extensions, modifications, assignments, replacements, or consolidations thereof and the rights, privileges, and powers of the Lender thereunder, subject to the terms and conditions of this Assignment.

3. Termination. At such time as the Loan is paid in full and the Security Instrument is released or assigned of record, this Assignment and all of the Lender's right, title and interest hereunder shall terminate.

4. Estoppel. Manager represents and warrants that (a) the Management Agreement is in full force and effect and has not been modified, amended or assigned with respect to the Property, (b) neither Manager nor Borrower is in default under any of the terms, covenants or provisions of the Management Agreement with respect to the Property and Manager knows of no event which, but for the passage of time or the giving of notice or both, would constitute an event of default under the Management Agreement with respect to the Property, (c) neither Manager nor Borrower has commenced any action or given or received any notice for the purpose of terminating the Management Agreement with respect to the Property and (d) the Management Fees and all other sums that are due and payable to the Manager under the Management Agreement have been paid in full with respect to the Property.

5. Borrower's Covenants. Borrower hereby covenants with the Lender that during the term of this Assignment: (a) Borrower shall not transfer the responsibility for the management of the Property from Manager to any other person or entity without prior written notification to the Lender and the prior written consent of the Lender, which consent shall not be unreasonably withheld; (b) Borrower shall not terminate or amend any of the terms or provisions of the Management Agreement other than in accordance with the provisions of the Loan Agreement; and (c) Borrower shall, in the manner provided for in this Assignment, give notice to the Lender of any notice or information that Borrower receives which indicates that Manager is terminating the Management Agreement or that Manager is otherwise discontinuing its management of the Property.

6. Assignment by Borrower and Manager. Borrower and Manager hereby agree that in the event of a default by Borrower or the REIT (beyond any required notice and applicable grace period) under the Note, the Loan Agreement, the Security Instrument or any of the Other Loan Documents ("Event of Default") during the term of this Assignment, at the option of the Lender exercised by written notice to Borrower and Manager: (a) all rents, security deposits, issues, proceeds and profits of the Property collected by Manager, after payment of all costs and expenses of operating the Property (including, without limitation, operating expenses, real estate taxes, insurance premiums and repairs and maintenance), shall be applied in accordance with the Lender's written directions to Manager; (b) Manager shall not collect or be entitled to any Management Fees; and (c) the Lender may exercise its rights under this Assignment and may immediately terminate the Management Agreement and require Manager to transfer its responsibility for the management of the Property to a management company selected by the Lender in accordance with the provisions of the Loan Agreement.

7. The Lender's Right to Replace Manager. In addition to the foregoing, in the event that Manager becomes insolvent, the Lender may exercise its rights under this Assignment and direct Borrower to terminate the Management Agreement and to replace Manager with a management company pursuant to and in accordance with the provisions of the Loan Agreement.

8. Consent and Agreement by Manager. Manager hereby acknowledges and consents to this Assignment and agrees that Manager will act in conformity with the provisions of this Assignment and the Lender's rights hereunder or otherwise related to the Management Agreement. In the event that the responsibility for the management of the Property is transferred from Manager in accordance with the provisions hereof, Manager shall, and hereby agrees to, fully cooperate in transferring its responsibility to a new management company and effectuate such transfer no later than thirty (30) days from the date the Management Agreement is terminated. Further, Manager hereby agrees (a) not to contest or impede the exercise by the Lender of any right it has under or in connection with this Assignment; and (b) that it shall, in the manner provided for in this Assignment, give at least thirty (30) days prior written notice to the Lender of its intention to terminate the Management Agreement or otherwise discontinue its management of the Property.

9. No Subcontracting. Notwithstanding anything in the Management Agreement or in this Assignment to the contrary, Manager shall not sub-contract any or all of its management responsibilities under the Management Agreement to a third party (other than a Subsidiary (as defined in the Loan Agreement) of Manager) or an affiliate without the prior written consent of the Lender, such consent not to be unreasonably withheld.

10. The Lender's Agreement. So long as no Event of Default has occurred and is continuing, the Lender agrees to permit any sums due to Borrower or Manager under the Management Agreement to be paid directly to Borrower or Manager, as the case may be.

11. Governing Law. This Assignment shall be deemed to be a contract entered into pursuant to the laws of the State of New York and shall in all respects be governed, construed, applied and enforced in accordance with the laws of the State of New York.

12. Notices. Except as otherwise expressly provided herein, all notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by facsimile, telex, or cable communication), and shall be deemed to have been duly given or made when delivered by hand, or five (5) days after being deposited in the United States mail, certified or registered, postage prepaid, or, in the case of telex notice, when sent, answerback received, or, in the case of facsimile notice, when sent, answerback received, or, in the case of a nationally recognized overnight courier service, one (1) Business Day after delivery to such courier service, addressed, in the case of Borrower and Agent, at the addresses specified below, or to such other addresses as may be designated by any party in a written notice to the other parties hereto, provided that notices and communications shall not be effective until received by Agent.

If to Borrower: SL Green Operating Partnership, L.P.
70 West 36/th/ Street
New York, New York 10018
Attention: Benjamin P. Feldman, Esq.
Facsimile No. (212) 594-0086

with a copy to: Greenberg, Traurig, Hoffman, Lipoff, Rosen & Quentel
200 Park Avenue
New York, New York 10166
Attention: Robert J. Ivanhoe, Esq.
Facsimile No. (212) 801-6400

If to Lender: Lehman Brothers Holdings Inc.
d/b/a Lehman Capital, a division of
Lehman Brothers Holdings Inc.
Three World Financial Center, 8/th/ Floor
New York, New York 10285
Attention: Mr. David Juge
Facsimile No. (212) 526-7423

With a copy to: Hatfield Philips Inc.
285 Peachtree Center Avenue
Marquis Two Tower
Atlanta, Georgia 30303
Attention: Mr. Greg Winchester
Facsimile No. (404) 420-5610

If to Manager: SL Green Management LLC
70 West 36/th/ Street
New York, New York 10018
Attention: Benjamin P. Feldman, Esq.
Facsimile No. (212) 594-0086

and

SL Green Management Corp.

70 West 36/th/ Street
New York, New York 10018
Attention: Benjamin P. Feldman, Esq.
Facsimile No. (212) 594-0086

and

SL Green Leasing, Inc.
70 West 36/th/ Street
New York, New York 10018
Attention: Benjamin P. Feldman, Esq.
Facsimile No. (212) 594-0086

or addressed as such party may from time to time designate by written notice to the other parties. For purposes of this Section 12, the term "Business Day" shall mean a day on which commercial banks are not authorized or required by law to close in New York, New York.

Any party by notice to the others may designate additional or different addresses for subsequent notices or communications.

13. No Oral Change. This Assignment, and any provisions hereof, may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Borrower or the Lender, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

14. Liability. If Borrower consists of more than one person, the obligations and liabilities of each such person hereunder shall be joint and several. This Assignment shall be binding upon and inure to the benefit of Borrower, the Manager, the Lender and their respective successors and assigns forever.

15. Inapplicable Provisions. If any term, covenant or condition of this Assignment is held to be invalid, illegal or unenforceable in any respect, this Assignment shall be construed without such provision.

16. Headings, etc. The headings and captions of various paragraphs of this Assignment are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

17. Duplicate Originals; Counterparts. This Assignment may be executed in any number of duplicate originals and each duplicate original shall be deemed to be an original. This Assignment may be executed in several counterparts, each of which counterparts shall be deemed an original instrument and all of which together shall constitute a single Agreement. The failure of any party hereto to execute this Assignment, or any counterpart hereof, shall not relieve the other signatories from their obligations hereunder.

18. Number and Gender. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa.

19. Miscellaneous. Wherever pursuant to this Assignment (i) the Lender exercises any right given to it to approve or disapprove, (ii) any arrangement or term is to be satisfactory to the Lender, or (iii) any other decision or determination is to be made by the Lender, the decision of the Lender to approve or disapprove, all determinations by the Lender as to whether any arrangements or terms are satisfactory or not satisfactory and all other decisions and determinations made by the Lender, shall be subject to the provisions of the Loan Agreement and the Intercreditor Agreement and shall be final and conclusive, except as may be otherwise expressly and specifically provided herein.

Wherever pursuant to this Assignment it is provided that Borrower pay any costs and expenses, such costs and expenses shall include, but not be limited to, legal fees and disbursements of the Lender, whether retained firms, the reimbursement for the expenses of in-house staff or otherwise.

IN WITNESS WHEREOF the undersigned has executed and delivered this Assignment as of the date and year first written above.

SL GREEN OPERATING PARTNERSHIP, L.P., a Delaware limited partnership

By: SL GREEN REALTY CORP., a Maryland corporation, its general partner

By: _____
David J. Nettina
Chief Financial Officer

By: _____
Benjamin P. Feldman
Executive Vice President

SLG GRAYBAR LLC, a New York limited liability company

By: SLG GRAYBAR 2 LLC, a New York limited liability company, its managing member

By: SL GREEN OPERATING PARTNERSHIP, L.P., a Delaware limited partnership, its managing member

By: SL GREEN REALTY CORP., a Maryland corporation, its general partner

By: _____
David J. Nettina
Chief Financial Officer

By: _____
Benjamin P. Feldman
Executive Vice President

NEW GREEN 1140 REALTY LLC, a New York limited liability company

By: SL GREEN OPERATING PARTNERSHIP, L.P., a Delaware limited partnership, its managing member

By: SL GREEN REALTY CORP., a Maryland corporation, its general partner

By: _____
David J. Nettina
Chief Financial Officer

By: _____
Benjamin P. Feldman
Executive Vice President

SLG 17 BATTERY LLC, a New York limited liability company

By: SL GREEN OPERATING PARTNERSHIP, L.P., a Delaware limited partnership, its managing member

By: SL GREEN REALTY CORP., a Maryland corporation, its general partner

By: _____
David J. Nettina
Chief Financial Officer

By: _____
Benjamin P. Feldman
Executive Vice President

SL GREEN MANAGEMENT LLC, a New York limited liability company

By: SL GREEN OPERATING LIMITED PARTNERS HIP, L.P., a Delaware limited partnership, its sole member

By: SL GREEN REALTY CORP., a Maryland corporation, its general partner

By: _____
David J. Nettina
Chief Financial Officer

By: _____
Benjamin P. Feldman
Executive Vice President

SL GREEN MANAGEMENT CORP., a New York corporation

By: _____
Name:
Title:

LEHMAN BROTHERS HOLDINGS INC. D/B/A LEHMAN CAPITAL, A DIVISION OF LEHMAN BROTHERS HOLDINGS INC., a Delaware corporation, individually as a Co-Lender and as Syndication Agent

By: _____
Name:
Title:

EXHIBIT A

(EXHIBIT BEGINS ON NEXT PAGE)

EXHIBIT G

(To be Attached)

EXHIBIT H

COMPLIANCE CERTIFICATE

This COMPLIANCE CERTIFICATE is delivered pursuant to that certain Loan Agreement, dated as of March __, 1998 (the "Loan Agreement") among SL GREEN REALTY CORP., (the "REIT") and SL GREEN OPERATING PARTNERSHIP, L.P. (the "Borrower"), SLG Graybar LLC, SLG Graybar 2 LLC, New Green Realty 1140 LLC, SLG 17 Battery LLC (collectively, the "LLCs"), and LEHMAN BROTHERS HOLDINGS INC., d/b/a LEHMAN CAPITAL, a division of LEHMAN BROTHERS HOLDINGS INC., individually as Co-Lender and as Agent for one or more Co-Lenders (the "Agent") and as syndication agent (the "Syndication Agent"). Capitalized terms not defined herein shall have the same meanings ascribed thereto in the Loan Agreement.

1. The REIT is the sole general partner of the Borrower.

2. The Borrower is the sole member of each of the LLCs.

3. The individual executing this Certificate is the duly qualified (_____) of the REIT and is executing this Certificate on behalf of the REIT and the Borrower, provided, however, that such individual shall incur no personal liability by reason of the execution of this Certificate.

4. The undersigned has reviewed the terms of the Loan Agreement and has made a review of the transactions, financial condition and other affairs of the REIT, the Borrower, each other Loan Party and each of their Subsidiaries as of _____ __, 199___ and the undersigned has no knowledge of the existence, as of the date hereof, of any condition or event which (i) renders untrue or incorrect, in any material respect, any of the representations and warranties contained in Section 4 of the Loan Agreement (it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct only as of such specified date), or (ii) constitutes a Default or Event of Default.

5. Schedule I attached hereto accurately and completely sets forth the financial data, computations and other matters required to establish compliance with the criteria set forth in each of the defined terms, including without limitation, Total Value, Total Mortgaged Asset Value and Permitted Investments, and the following Sections of the Loan Agreement:

a. Section 6.07 - Distributions; and

b. Section 6.08 - Tenant Concentration.

6. The representations and warranties contained in Section 4 of the Loan Agreement and in each of the other Loan Documents are true and correct in every material respect as though made on and as of the date hereof (it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct only as of such specified date).

7. No Default or Event of Default has occurred and is continuing.

The Agent, the Co-Lenders and the Syndication Agent and their respective successors and assigns may rely on the truth and accuracy of the foregoing in connection with the extensions of credit to the Borrower and the REIT pursuant to the Loan Agreement.

IN WITNESS WHEREOF, the undersigned has executed this

Compliance Certificate on behalf of the REIT and Borrower this _____ day of _____, 199_.

SL GREEN REALTY CORP.

By: _____
Name:
Title:

SL GREEN OPERATING PARTNERSHIP, L.P.

By: SL GREEN REALTY CORP.

By: _____
Name:
Title:

SCHEDULE I

The Certificate to which this Schedule 1 is attached is dated _____ and pertains to the period from _____ to _____. Capitalized terms used herein shall have the meanings set forth in the Loan Agreement. Section references herein relate to the sections to the Loan Agreement

20. Adjusted NOI calculation for Mortgaged Assets (other than the Bar Building Property until such time as it is owned by Borrower in fee) (as defined in the definition of Adjusted NOI)

a.	Actual trailing 3 month Net Operating Income from _____ to _____ (for the 17 Battery Place property, including only the portion allocable to Borrower)	_____
b.	Less: Minimum Capital Expenditures Reserve (for the 17 Battery Place property, including only the portion allocable to Borrower) ((_____ sf x $_____)(divided by) 4)	<_____>
c.	Less: Minimum Management Fees (for the 17 Battery Place property, including only the portion allocable to Borrower) (____% of total revenues)	<_____>
d.	Plus: Actual capital expenditure reserves included in Line 1(a) above	_____
e.	Plus: Actual management fees included in Line 1(a)	_____
f.	Subtotal of a, b, c, d and e:	_____
g.	Amount on Line 1(f) multiplied by 4	_____

21 Adjusted NOI Calculation for the Bar Building Property until such time as it owned by Borrower in fee (as defined in the definition of Adjusted NOI).

a.	Actual trailing 3 month Net Operating Income from _____ to _____	_____
b.	Less: Minimum Capital Expenditures Reserve ((_____ sf x $_____)(divided by) 4)	<_____>
c.	Less: Minimum Management Fees (____% of total revenues)	<_____>
d.	Plus: Actual capital expenditure reserves included in Line 2(a) above	_____
e.	Plus: Actual management fees included in Line 2(a) above	_____
f	Subtotal of a, b, c, d and e:	_____
g.	Amount on Line 2(f) multiplied by 4	_____
h.	Actual trailing 3 month cash received and applied to interest on the Bar Building Mortgage from _____ to _____	_____
i.	Less Minimum Capital Expenditure Reserves from Line 2(b)	<_____>
j.	Less Minimum Management Fees from Line 2(c)	<_____>
k.	Subtotal of h, i and j	_____
l.	Amount on Line 2(k) multiplied by 4	_____
m.	Lesser of Amount on line 2(g) and Line 2(l)	_____
n.	Amount on Line 1(g) plus amount on Line 2(m) ("Mortgaged Asset Adjusted NOI")	_____

22. Total Mortgaged Asset Value Calculation (as defined in the definition of Total Mortgaged Asset Value)

a. Mortgaged Assets owned less than 3 months

1.	Number of Properties	_____
2.	Aggregate purchase price (excluding 17 Battery Place tenancy-in-common interest and 110 E. 42/nd/ Street property) (attach supporting schedule)	_____
3.	If owned for less than 3 months, purchase price	

for 17 Battery Place tenancy-in-common allocable to Borrower (attach supporting schedule)_____

4. During the Appraisal Period, appraised value of 110 E. 42/nd/ Street property based on FIRREA appraisal.

5. Sum of amount in Line 3(a)(4), if applicable, plus 95% of sum of amounts in Line 3(a)(2) and, if applicable, Line 3(a)(3) _____

b. Mortgaged Assets owned more than 3 months

1. Number of Properties _____

2. Mortgaged Asset Adjusted NOI (From Line 2(n), adjusted to exclude Mortgaged Assets owned less than 3 months and to exclude 110 E. 42/nd/ Street Property if calculation is based on Appraised Value; attach supporting schedule showing exclusions) _____

3. Amount in Line 3(b)(2) divided by 0.10 _____

c. Total Mortgaged Asset Value (sum of amounts in Line 3(a)(5) and Line 3(b)(3)) _____

4. Adjusted NOI Calculation (for all Real Property Assets)

a. Actual trailing 3 month Net Operating Income from _____ to _____ for Real Property Assets other than Mortgaged Assets _____

b. Less: Minimum Capital Expenditures Reserve <_____>((_____ sf x $_____)(divided by) 4)

c. Less: Minimum Management Fees (__% of total revenues) <_____>

d. Plus: Actual capital expenditure reserves in 4(a) _____

e. Plus: Actual management fees in 4(a)

_____Subtotal of a, b, c, d and e: _____

f. Amount on Line 4(f) multiplied by 4 _____

g. Amount on Line 4(g) plus amount on Line 2(n) _____

5. Total Value Calculation

a. Real Property Assets owned less than 3 months.

1. Number of Properties (other than Mortgaged Assets) _____

2. Aggregate purchase price (attach supporting schedule) (other than Mortgaged Assets) _____

3. Sum of amount on Line 3(a)(5) plus 95% of amounts on Line 5(a)(2) _____

b. Real Property Assets owned more than 3 months

1. Number of Properties (other than Mortgaged Assets) _____

2. Adjusted NOI (from Line 4(h)) (adjusted to exclude Real Property Assets owned less than 3 months; attach supporting schedule showing exclusions) _____

3. Amount on Line 5(b)(2) divided by 0.10 _____

c. Permitted Investments and Cash

1. Aggregate Book Value of Mortgage Receivables (other than Bar Building) _____

2. Aggregate Book Value of Joint Venture/ Partnership Investments _____

3. Unrestricted Cash _____

4. Subtotal of 1, 2 and 3 _____

d. Total Value (sum of Lines 5(a)(3), 5(b)(3) and 5(c)(4)) _____

6. Maximum Payout Ratio (Section 6.07)

a. Borrower

1. FFO (for each trailing 12 month period or such shorter period as may be applicable) from _____ to _____ _____

2. Multiplied by 0.95 during first loan year and 0.90 in second loan year and thereafter _____

3. Actual distributions during period from ____ to ____ (must be less than amount on Line 6(a)(2)) _____

b. REIT

1. FFO (for each trailing 12 month period or such shorter period as may be applicable) from _____ to _____ _____

2. Multiplied by 0.95 during first loan year and

0.90 in second loan year and thereafter _____

3. Actual distributions during period from _____ to _____ (must be less than amount on Line 6(b)(2)) _____

7. Permitted Investment Limitation (as defined in the definition of Permitted Investments)

a. Book Value of Investments in Mortgages (excluding Bar Building) _____

b. Book Value of Investments in Mortgages from Line 7(a) divided by Total Value from line 5(d) (must be less than 0.15 unless composed solely of the 17 `Battery Place mortgage) _____

c. Book Value of Partnerships/Joint Ventures (a) which are not majority owned by Borrower, (b) in which Borrower is not sole managing GP, or (c) of which Borrower, a wholly-owned subsidiary or affiliate thereof is not the managing or leasing agent _____

d. 10% of Total Value from Line 5(d) (must be greater than amount on Line 7(c)) _____

e. Book Value of Partnership/Joint Ventures (a) which are majority owned by Borrower, (b) in which Borrower is sole managing GP, and (c) of which Borrower, a wholly owned subsidiary or affiliate thereof is the managing agent and leasing agent (must be less than 15% of Total Value from Line 5(d) unless composed solely of Borrower's tenancy-in-common interest in the 17 Battery Place property). _____

f. Total Permitted Investments; sum of a, c and e _____

g. Total Permitted Investments from Line 7(f) divided by Total Value from Line 5(d) (must be less than 0.15, unless Permitted Investments are composed solely of 17 Battery Place mortgage and Borrower's tenancy-in-common interest in the 17 Battery Place property) _____

8. Other Covenants

a. Properties not located in Borough of Manhattan, New York (as defined in the definition of Permitted Investments) _____

1. Number of office properties and other "Permitted Investments" not located in Borough of Manhattan, New York _____

2. Total Value of such Assets (attach supporting calculations) _____

3. Amount in Line 8(a)(2) divided by Total Value from Line 8(d) (must be less than 0.15) _____

b. Tenant Concentration Limit (Section 6.08)

1. Aggregate Net Rentable Square Feet _____

2. Largest Tenant Concentration _____

a. Non-investment Grade
Name: _____
(must be less than 5% of total net rentable square feet) _____

b. Investment Grade
Name: _____
(must be less than 10% of total net rentable square feet) _____

c. Long-Term Unsecured Debt Rating (Section 5.09) _____

EXHIBIT I

New York, New York
As of _____, ____

GUARANTY OF PAYMENT

FOR VALUE RECEIVED, and to induce LEHMAN BROTHERS HOLDINGS INC. D/B/A LEHMAN CAPITAL, A DIVISION OF LEHMAN BROTHERS HOLDINGS INC., a Delaware corporation having its principal place of business at Three World Financial Center, 200 Vesey Street, New York, New York 10285, individually as a Co-Lender and as Agent for one or more Co-Lenders ("Agent") and as Syndication Agent (each collectively the other Co-Lenders, are hereinafter referred to collectively as "Lender") to lend to SL GREEN OPERATING PARTNERSHIP, L.P. (the "Partnership"), SLG GRAYBAR LLC (the "Graybar LLC"), SLG GRAYBAR 2 LLC (the "Member LLC"), NEW GREEN 1140 REALTY LLC (the "New Green LLC"), SLG 17 BATTERY LLC (the "17 LLC") and SL GREEN REALTY CORP. (the "REIT"; the Partnership, the Graybar LLC, the Member LLC, the 17 LLC and the REIT are hereinafter referred to, individually and collectively, as the context requires, as "Borrower") each having its principal place of business at 70

West 36/th/ Street, New York, New York, the principal sum of TWO HUNDRED SEVENTY-FIVE MILLION AND 00/100 DOLLARS ($275,000,000.00) (the "Loan") pursuant to that certain Loan Agreement dated as of the date hereof between Borrower and Lender (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Loan Agreement") and evidenced by the Note (as defined in the Loan Agreement) and secured by the Security Instrument (as defined in the Loan Agreement) and by the other Loan Documents (as defined in the Loan Agreement), the undersigned (the "Guarantor") hereby absolutely and unconditionally guarantees to Lender the prompt and unconditional payment of (i) said principal sum and the interest thereon, as the same shall become due and payable under the Note, (ii) the Obligations (as defined in the Loan Agreement), as the same may become due and payable under the Loan Documents, and (iii) any and all other sums of money which, at any time, may become due and payable under the provisions of the Note, the Security Instrument, the Loan Agreement or the other Loan Documents (collectively, the "Debt").

All capitalized words and phrases not otherwise defined herein shall have the meanings ascribed to them in the Loan Agreement.

It is expressly understood and agreed that this is a continuing guaranty and that the obligations of Guarantor hereunder are and shall be absolute under any and all circumstances, without regard to the validity or enforceability of the Note, the Security Instrument, the Loan Agreement, or the other Loan Documents, a true copy of each of said documents Guarantor hereby acknowledges having received and reviewed.

Any indebtedness of Borrower to any Guarantor now or hereafter existing (including, but not limited to, any rights of subrogation that any Guarantor may have against Borrower or any other Guarantor as a result of any payment by Guarantor under this Guaranty), together with any interest thereon, shall be, and such indebtedness is, hereby deferred and postponed until, and subordinated to, the prior payment in full of the Debt. Until payment in full of the Debt (including interest accruing on the Note after the commencement of a proceeding by or against Borrower under the Bankruptcy Reform Act of 1978, as amended, 11 U.S.C. Sections 101 et seq., and the
-- ---
regulations adopted and promulgated pursuant thereto (collectively, the "Bankruptcy Code") which interest the parties agree shall remain a claim that is prior and superior to any claim of Guarantor notwithstanding any contrary practice, custom or ruling in cases under the Bankruptcy Code generally), Guarantor agrees not to accept any payment or satisfaction of any kind of indebtedness of Borrower to Guarantor and hereby assigns such indebtedness to Lender, including the right to file proof of claim and to vote thereon in connection with any such proceeding under the Bankruptcy Code, including the right to vote on any plan of reorganization. Further, if Guarantor shall comprise more than one person, firm or corporation, Guarantor agrees that until such payment in full of the Debt, (i) no one of them shall accept payment from the others by way of contribution on account of any payment made hereunder by such party to Lender, (ii) no one of them will take any action to exercise or enforce any rights to such contribution, and (iii) if any Guarantor should receive any payment, satisfaction or security for any indebtedness of Borrower to any Guarantor or for any contribution by the others of Guarantor for payment made hereunder by the recipient to Lender, the same shall be delivered to Lender in the form received, endorsed or cation on account of, or as security for, the Debt and until so delivered, shall be held in trust for Lender as security for the Debt.

Any term or provision of this Guaranty, the Security Instrument, the Loan Agreement or any other Loan Document to the contrary notwithstanding, the maximum aggregate amount of the Debt for which Guarantor shall be liable shall not exceed the lesser of (a) the sum of the assets of Guarantor, at a fair valuation based upon appraisals or comparable valuations minus the sum of the liabilities of Guarantor, and (b) the maximum amount for which Guarantor can be liable without rendering this Guaranty, the Security Instrument, the Loan Agreement or any other Loan Document, as it relates to Guarantor, voidable under Section 548 of the Bankruptcy Code or any comparable provision of any state law or any applicable law relating to fraudulent conveyance or fraudulent transfer.

Guarantor agrees that, upon written notice from Agent or Lender, Guarantor will reimburse Lender, to the extent that such reimbursement is not made by Borrower, for all expenses (including counsel fees) incurred by Lender in connection with the collection of the Debt or any portion thereof or with the enforcement of this Guaranty.

All moneys available to Lender for application in payment or reduction of the Debt may be applied by Lender in such manner and in such amounts and at such time or times and in such order and priority as Lender may elect.

Guarantor hereby waives notice of the acceptance hereof, presentment, demand for payment, protest, notice of protest, or any and all notice of non-payment, non-performance or non-observance, or other proof, or notice or demand.

Guarantor further agrees that the validity of this Guaranty and the obligations of Guarantor hereunder shall in no way be terminated, affected or impaired (i) by reason of the assertion by Lender of any rights or remedies which it may have under or with respect to either the Note, the Security Instrument, the Loan Agreement or the other Loan Documents, against any person obligated thereunder or against the owner of any Real Property Asset covered by the Loan Agreement, or (ii) by reason of the release or exchange of any Real Property Asset covered by the Loan Agreement or (iii) by reason of Lender's failure to exercise, or delay in exercising, any such

right or remedy or any right or remedy Lender may have hereunder or in respect to this Guaranty, or (iv) by reason of the commencement of a case under the Bankruptcy Code by or against any person obligated under the Note, the Loan Agreement or the other Loan Documents, or (v) by reason of any payment made on the Debt or any other indebtedness arising under the Note, the Loan Agreement or the other Loan Documents, whether made by Borrower, any Guarantor or any other person, which is required to be refunded pursuant to any bankruptcy or insolvency law; it being understood that no payment so refunded shall be considered as a payment of any portion of the Debt, nor shall it have the effect of reducing the liability of any Guarantor hereunder. It is further understood, that if Borrower shall have taken advantage of, or be subject to the protection of, any provision in the Bankruptcy Code, the effect of which is to prevent or delay Lender from taking any remedial action against Borrower, including the exercise of any option Lender has to declare the Debt due and payable on the happening of any default or event by which under the terms of the Note, the Security Instrument, the Loan Agreement or the other Loan Documents, the Debt shall become due and payable, Lender may, as against Guaranebt due and payable and enforce any or all of its rights and remedies against Guarantor provided for herein.

Guarantor further covenants that this Guaranty shall remain and continue in full force and effect as to any modification, extension or renewal of the Note, the Security Instrument, the Loan Agreement, or any of the other Loan Documents, that Lender shall not be under a duty to protect, secure or insure any Real Property Asset covered under the Loan Agreement, and that other indulgences or forbearance may be granted under any or all of such documents, all of which may be made, done or suffered without notice to, or further consent of, Guarantor.

As a further inducement to Lender to make the Loan and in consideration thereof, Guarantor further covenants and agrees (i) that in any action or proceeding brought by Lender against any Guarantor on this Guaranty, Guarantor shall and does hereby waive trial by jury, (ii) that the Supreme Court of the State of New York for the County of New York, or, in a case involving diversity of citizenship, the United States District Court for the Southern District of New York, shall have jurisdiction of any such action or proceeding, and (iii) that service of any summons and complaint or other process in any such action or proceeding may be made by registered or certified mail directed to Guarantor at Guarantor's address set forth below, Guarantor hereby waiving personal service thereof.

This is a guaranty of payment and not of collection and upon any default of Borrower under the Note, the Security Instrument, or the Loan Agreement or of Borrower or any other Loan Party (as defined in the Loan Agreement) under any other Loan Documents, Lender may, at its option, proceed directly and at once, without notice, against Guarantor to collect and recover the full amount of the liability hereunder or any portion thereof, without proceeding against Borrower, or any other person, or foreclosing upon, selling, or otherwise disposing of or collecting or applying against any of the Real Property Assets or other collateral for the Loan.

Each reference herein to Lender shall be deemed to include its successors and assigns, including without limitation, any Co-Lenders (as defined in the Loan Agreement), to whose favor the provisions of this Guaranty shall also inure. Each reference herein to Guarantor shall be deemed to include the heirs, executors, administrators, legal representatives, successors and assigns of Guarantor, all of whom shall be bound by the provisions of this Guaranty.

If any party hereto shall be a partnership, the agreements and obligations on the part of Guarantor herein contained shall remain in force and application notwithstanding any changes in the individuals composing the partnership and the term "Guarantor" shall include any altered or successive partnerships but the predecessor partnerships and their partners shall not thereby be released from any obligations or liability hereunder.

Guarantor has the full power, authority and legal right to execute this Guaranty and to perform all its obligations under this Guaranty.

All understandings, representations and agreements heretofore had with respect to this Guaranty are merged into this Guaranty which alone fully and completely expresses the agreement of Guarantor and Lender.

This Guaranty may be executed in one or more counterparts by some or all of the parties hereto, each of which counterparts shall be an original and all of which together shall constitute a single agreement of Guaranty. The failure of any party hereto to execute this Guaranty, or any counterpart hereof, shall not relieve the other signatories from their obligations hereunder.

This Guaranty may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Lender, Borrower, or any Loan Party but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

This Guaranty shall be governed, construed and interpreted as to IN WITNESS WHEREOF, Guarantor has duly executed this Guaranty as of the date first above set forth.

(SIGNATURE BLOCK TO BE ADDED)

SCHEDULE 1

Mortgaged Assets

Property	Owners
1414 Avenue of the Americas New York, New York	SL Green Operating Partnership, L.P.
The Bar Building (Mortgagee) 36 West 44/th/ Street and 35 West 43/rd/ Street New York, New York	SL Green Operating Partnership, L.P.
70 West 36/th/ Street New York, New York	SL Green Operating Partnership, L.P.
1140 Avenue of the Americas New York, New York	New Green 1140 Realty LLC
17 Battery Place New York, New York (tenancy-in-common interest)	SLG 17 Battery LLC
17 Battery Place New York, New York (Mortgagee)	SL Green Operating Partnership, L.P.
1372 Broadway New York, New York	SL Green Operating Partnership, L.P.
The Graybar Building (Pledged Interest) 420 Lexington Avenue New York, New York	SLG Graybar LLC
1466 Broadway New York, New York	SL Green Operating Partnership, L.P.
110 East 42/nd/ Street New York, New York	SL Green Operating Partnership, L.P.

SCHEDULE 2

Real Property Assets

Property	Owners
1414 Avenue of the Americas New York, New York	SL Green Operating Partnership, L.P.
The Bar Building 36 West 44/th/ Street and 35 West 43/rd/ Street New York, New York (Mortgagee)	SL Green Operating Partnership, L.P.
70 West 36/th/ Street New York, New York	SL Green Operating Partnership, L.P.
1140 Avenue of the Americas New York, New York	New Green 1140 Realty LLC
17 Battery Place New York, New York (tenancy-in-common interest)	SLG 17 Battery LLC
50 West 23/rd/ Street New York, New York	New Green 50W23 Realty LLC
110 East 42/nd/ Street New York, New York	SL Green Operating Partnership, L.P.
673 First Avenue New York, New York	SL Green Operating Partnership, L.P.
470 Park Avenue South New York, New York	SL Green Operating Partnership, L.P.
29 West 35/th/ Street New York, New York	SL Green Operating Partnership, L.P.
17 Battery Place New York, New York (Mortgagee)	SL Green Operating Partnership, L.P.
1372 Broadway New York, New York	SL Green Operating Partnership, L.P.
The Graybar Building (Pledged Interest) 420 Lexington Avenue New York, New York	SLG Graybar LLC
1466 Broadway New York, New York	SL Green Operating Partnership, L.P.

SCHEDULE 3

Loan Parties and Subsidiaries

New Green 1140 Realty LLC: Sole Member: SL Green Operating Partnership, L.P.

New Green 50W23 Realty LLC: Sole Member: SL Green Operating Partnership, L.P.

Green 673 Realty LLC: Sole Member: SL Green Operating Partnership, L.P.

SLG 17 Battery LLC: Sole Member: SL Green Operating Partnership, L.P.

Emerald City Construction Corp.: a) 100% of non-voting stock (95% equity) owned by SL Green Operating Partnership, L.P., b) 100% of voting stock (5% equity) owned by SL Green Service LLC

SL Green Management LLC: Sole Member: SL Green Operating Partnership, L.P.

SL Green Management Corp.: a) 100% of non-voting stock (95% equity) owned by SL Green Operating Partnership, L.P., b) 100% of voting stock (5% equity) owned by SL Green Service LLC

SL Green Leasing, Inc.: a) 100% of non-voting stock (95% equity) owned by SL Green Operating Partnership, L.P., b) 100% of voting stock (5% equity) owned by SL Green Service LLC

SLG Graybar LLC: Sole Member: SLG Graybar 2 LLC: Sole Member: SL Green Operating Partnership, L.P.

SCHEDULE 4

Required Estoppel Certificates

Graybar Building
- ----------------

1. Precision Dynamics Corporation (now New York Graybar Lease L.P.), as lessor, pursuant to that certain Operating Sublease dated June 1, 1964.

SCHEDULE 5

Litigation

None

SCHEDULE 6

Employee Benefit Plans

SL Green Realty Corp.'s 401(k) Plan

SL Green Realty Corp.'s Health Plan (Oxford Freedom Plan)

The Health, Pension and Annuity Plans of Local 32B-J and of Local 94.

SCHEDULE 7

Intentionally Deleted

SCHEDULE 8

REIT Assets

None

SCHEDULE 9A

REIT Business Operations

None

SCHEDULE 9B

Borrower Business Operations

The entities described on Schedule 3

SCHEDULE 10

Ground Leases

A. 1140 Avenue of the Americas
New York, New York

That certain ground lease (the "Ground Lease") dated October 1, 1951, by and between Phoenix Mutual Life Insurance Company, and 67 West 44/th/ Street

Inc., which by those certain assignments described below has been assigned to New Green 1140 Realty LLC as tenant:

1. Assignment of Lease made by 67 WEST 44TH ST. INC. to FAWCETT ASSOCIATES, a N.Y. Limited Partnership, dated 9/3/58 and recorded 9/5/58 in Liber 5049 Cp. 304.

2. Assignment of Lease made by FAWCETT ASSOCIATES, a N.Y. Limited Partnership, to THE KRATTER CORPORATION, a Delaware Corporation, dated as of 1/9/60, and recorded 3/23/64 in Liber 5271 Cp. 339.

I. Assignment of Lease made by THE KRATTER CORPORATION, a Delaware Corporation, to 67 WEST 44TH ST. INC., dated 3/1/65, and recorded 3/2/65 in Liber 5316 Cp. 287.

II. Assignment of Lease made by 67 WEST 44TH ST. INC. to 44TH SIXTH CORPORATION, dated 8/27/65, and recorded 8/30/65 in Liber 5340 Cp. 345.

III. Modification Agreement made by SUTTON ASSOCIATES, INC. and 44TH SIXTH CORPORATION, dated 4/30/66, and recorded 5/19/66 in Record Liber 58 Page 223.

IV. Assignment of Lease made by 44TH SIXTH CORPORATION to 1140 SIXTH AVENUE COMPANY, dated as of 10/1/66, and recorded 12/8/66 in Record Liber 130 Page 397.

V. Assignment of Lease made by 1140 SIXTH AVENUE COMPANY, a N.Y. Limited Partnership, to CALNY CONSTRUCTION CORP., dated 7/21/71, and recorded 7/22/71 in Reel 211 Page 1499.

VI. Assignment of Lease made by CALNY CONSTRUCTION CORP. to 1140 SIXTH AVENUE COMPANY, a N.Y. Limited Partnership, dated 7/21/71, and recorded 7/22/71 in Reel 211 Page 1572.

VII. Assignment of Lease made by 1140 SIXTH AVENUE COMPANY, a N.Y. Limited Partnership, to CALNY CONSTRUCTION CORP., dated 10/19/71, and recorded 10/21/71 in Reel 220 Page 50.

VIII. Assignment of Lease made by CALNY CONSTRUCTION CORP. to 1140 SIXTH AVENUE COMPANY, a N.Y. Limited Partnership, dated 10/19/71, and recorded 10/21/71 in Reel 220 Page 112.

IX. Assignment of Lease made by 1140 SIXTH AVENUE COMPANY, a N.Y. Limited Partnership, to KAYEMACLER REALTY INC., dated as of 1/1/74, and recorded 3/8/74 in Reel 307 Page 1108.

X. Assignment of Lease made by KAYEMACLER REALTY INC. to AVAMERICAS ASSOCIATES, a N.Y. Limited Partnership, dated as of 1/1/74, and recorded 3/8/74 in Reel 307 Page 1169;

XI. Assignment of Lease made by AVAMERICAS ASSOCIATES, a N.Y. Limited Partnership, to KAYEMACLER REALTY INC., dated 5/7/74, and recorded 5/7/74 in Reel 312 Page 1567.

XII. Assignment of Lease made by KAYEMACLER REALTY INC. to AVAMERICAS ASSOCIATES, a N.Y. Limited Partnership, dated 5/7/74, and recorded 5/15/74 in Reel 313 Page 898.

XIII. Assignment of Lease made by AVAMERICAS ASSOCIATES, a N.Y. Limited Partnership, to KAYEMACLER REALTY INC., dated 7/2/74, and recorded 7/3/74 in Reel 318 Page 804.

XIV. Assignment of Lease made by KAYEMACLER REALTY INC. to AVAMERICAS ASSOCIATES, dated as of 7/2/74, and recorded 7/10/74 in Reel 318 Page 1713.

XV. Assignment and Assumption of Lease made by AVAMERICAS ASSOCIATES, a N.Y. Limited Partnership, to 1140 ASSOCIATES, a N.Y. Limited Partnership, dated 9/15/82, and recorded 9/16/82 in Reel 638 Page 1777.

XVI. Assignment and Assumption of Ground Lease made by and between 1140 ASSOCIATES, a N.Y. Limited Partnership, and INTER-OCEAN REALTY ASSOCIATES, a N.Y. Limited Partnership, dated 5/2/84, and recorded 5/11/84 in Reel 792 Page 203.

XVII. Assignment and Assumption of Ground Lease made by and between INTER-OCEAN REALTY ASSOCIATES and 1140 SIXTH ASSOCIATES L.P. dated as of 12/29/92 and recorded 1/7/93 in Reel 1934 Page 1141.

XVIII. Assignment and Assumption of Ground Lease made by and between 1140 SIXTH AVENUE ASSOCIATES, L.P. and NEW GREEN 1140 REALTY LLC, dated 8/20/97 and recorded in the office of the City Register, New York County, New York.

B. Bar Building Ground Leases:
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36 West 44/th/ Street

That certain Indenture of Lease dated March 3, 1982, by and between THE ASSOCIATION OF THE BAR OF THE CITY OF NEW YORK, as Lessor, and BAR BUILDING ASSOCIATES JOINT VENTURE, as Lessee, recorded on March 11, 1982 in the Office of the City Register, New York County, New York in Reel 672, Page 520.

35 West 43/rd/ Street

That certain Indenture of Lease dated as of January 21, 1981 by and between 35 WEST 43/RD/ STREET ASSOCIATES, as Lessor, and LAWPLAZA, INC., as Lessee, dated as of January 21, 1981 and recorded in the Office of the City Register, New York County on January 29, 1981 in Reel 552, Page 1531, as amended by that certain First Amendment of Lease dated as of June 25, 1982 and recorded in the Office of the City Register, New York County on July 14, 1982 in Reel 630, Page 1608.

1. That certain Indenture of Sub-Lease dated as of July 16, 1997 by and between LAWPLAZA, INC., as Sub-Landlord and R.A. 35 WEST 43/RD/ ENTERPRISES, INC., as Sub-Tenant, recorded in the Office of the City Register, New York County.

C. 673 First Avenue Ground Lease

Agreement and Lease dated April 28, 1988, between 673 First Avenue Associates (landlord) and 673 First Realty Company (tenant), the tenant's interest in which was assigned to SL Green Operating Partnership L.P. by an assignment and assumption of ground lease dated August 20, 1997, and recorded in the City Register, New York County, New York:

D. Graybar Building Ground Leases:

1. That certain Ground Lease dated July 30, 1925 recorded September 12, 1925 between New York State Realty and Terminal Company, as lessor, (the lessor's interest thereunder is currently held by Landgray Associates L.P.), and Eastern Offices, Inc., as lessee, recorded in Liber 3496, cp 183, as modified, extended and supplemented and assigned by numerous instruments.

2. That certain Ground Lease dated December 30, 1957, recorded December 31, 1957 between Webb & Knapp Inc. and Graysler Corporation, as lessors, (the lessor's interest thereunder is currently held by Metropolitan Life Insurance Company L.P.), and Mary J. Finnegan, as lessee, recorded in Liber 5024, cp 430, as modified, extended and supplemented and assigned by numerous instruments.

3. That certain Operating Lease dated December 30, 1957 recorded December 31, 1957 between Mary Finnegan, as lessor, (the lessor's interest thereunder is currently held by New York Graybar Building Associates), and Rose Iacovone, as lessee, recorded in Liber 5024, cp 523, as modified, extended and supplemented and assigned by numerous instruments.

4. That certain Operating Sublease dated June 1, 1964, between Precision Dynamics Corporation, as lessor, (the lessor's interest thereunder is currently held by New York Graybar Lease L.P.), and Graybar Building Company, as lessee, recorded in Liber 5293, cp 35, as modified, extended and supplemented and assigned by numerous instruments, the last of which assigns the lessee's interest thereunder to SLG Graybar LLC by instrument dated the date hereof.

SCHEDULE 11

Mortgage Assets

Bar Building Mortgages

1. Mortgage, dated as of March 2, 1983, in the principal sum of $3,768,000.00 given by Bar Building Associates Joint Venture ("Borrower") to Chase Manhattan Bank, N.A. ("Chase") and recorded on March 11, 1983, in the New York County Register's Office in Reel 672, Page 567, upon which a tax of $84,780.00 was duly paid and the note secured thereby ("Mortgage 1").

   a. Mortgage 1 was modified and spread pursuant to a Mortgage Modification and Spreader Agreement, dated as of April 13, 1983, entered into between Borrower, Lawplaza, Inc. ("Lawplaza") and Chase, recorded in the Register's Office on May 2, 1983 in Reel 683, Page 795. The Mortgage Modification and Spreader Agreement spreads the lien of Mortgage 1 to cover the leasehold estate in Block 1259 Lot 117 as evidenced by instrument recorded in the Register's Office in Reel 552, page 1531.

2. Mortgage, dated March 2, 1983, in the principal sum of $1,800,000.00 given by Borrower to Chase and recorded in the New York County Register's Office on March 11, 1983, in Reel 672, Page 600, upon which a tax of $40,500.00 was duly paid and the note secured thereby ("Mortgage 2").

   a. Mortgage 2 was modified and spread pursuant to a Mortgage Modification and Spreader Agreement, dated as of April 13, 1983, entered into between Borrower, Lawplaza and Chase, recorded in the Register's Office on May 2, 1983 in Reel 683, Page 808. The Mortgage Modification and Spreader Agreement spreads the lien of Mortgage 2 to cover the Leasehold Estate in Block 1259 Lot 117 as evidenced by instrument recorded in the New York County Register's Office in Reel 552, Page 1531.

3. Mortgage, dated as of March 2, 1983, in the principal sum of

$3,700,000.00 given by Borrower to Chase and recorded in the New York County Register's Office on March 11, 1983 in Reel 672, Page 632, upon which a tax of $83,250.00 was duly paid and the note secured thereby ("Mortgage 3").

a. Mortgage 3 was modified and spread pursuant to a Mortgage Modification and Spreader Agreement, dated as of April 13, 1983, entered into between Borrower, Lawplaza and Chase and recorded in the Register's Office on May 2, 1983 in Reel 683, Page 821. The Mortgage Modification and Spreader Agreement spreads the lien of Mortgage 3 to cover the leasehold estate in Block 1259 Lot 117, as evidenced by instrument recorded in the Register's Office in Reel 552, Page 1531.

b. Mortgages 1, 2 and 3 as modified and spread, were assigned pursuant to an Assignment of Mortgage, dated June 21, 1984, given by Chase to The Bowery Savings Bank ("Bowery") and recorded in the New York County Register's Office on June 28, 1984, in Reel 808, Page 1146.

c. Mortgages 1, 2 and 3 as modified, spread and assigned, were consolidated and spread pursuant to a Consolidation and Spreader Agreement, dated June 22, 1984, entered into between Madara Associates ("Madara") and Patrent Associates ("Patrent"), together doing business as Borrower, and Bowery, and recorded in the New York County Register's Office on June 28, 1984 in Reel 808, Page 1197, on which a mortgage tax of $0 was duly paid (the "Consolidation Agreement"). The Consolidation Agreement consolidates Mortgages 1 through 3 to form a single lien of $8,500,000.00 and spreads Mortgages 1 through 3 to cover the fee estate of Block 1259 Lot 15, as evidenced by an instrument recorded in the Register's Office in Reel 672, Page 520.

d. Mortgages 1, 2 and 3, as so consolidated were further assigned pursuant to an Assignment of Mortgage, dated July 24, 1986, given by Bowery to The Travelers Insurance Company and recorded in the New York County Register's Office on August 7, 1986, in Reel 1100, Page 1385.

4. Mortgage, dated June 22, 1984, in the principal sum of $10,000,000.00 given by Madara and Patrent, together doing business as Borrower, and Lawplaza, to The Association of the Bar of the City of New York ("Association"), and recorded in the New York County Register's Office on June 28, 1984, in Reel 808, Page 1186 upon which a tax of $225,000.00 was duly paid and the note secured thereby ("Mortgage 4").

a. Mortgage 4 was collaterally assigned pursuant to an Assignment of Mortgage, dated November 19, 1984, given by the Association to Morgan Guaranty Trust Company of New York ("Morgan"), and recorded in the New York County Register's Office on March 12, 1985 in Reel 885, Page 1163.

Mortgage 4 was assigned pursuant to an Assignment of Mortgage, dated August 1, 1986, given by Morgan and the Association to The Travelers Insurance Company, and recorded in the New York County Register's Office on August 7, 1986 in Reel 1100, Page 1381.

5. Mortgage, dated July 30, 1986, in the principal sum of $7,750,000.00 given by Borrower to The Travelers Insurance Company and recorded in the New York County Register's Office on August 7, 1986, in Reel 1100, Page 1390 upon which a tax of $174,375.00 was duly paid and the note secured thereby ("Mortgage 5").

a. Mortgages 1 through 5 were consolidated and spread pursuant to that certain Spreader, Consolidation and Modification Agreement (the "Spreader, Consolidation and Modification Agreement"), dated July 30, 1986, between Madara and Patrent, together doing business as Borrower, and The Travelers Insurance Company, and recorded in the New York County Register's Office on August 7, 1986 in Reel 1100, Page 1401. By which Spreader, Consolidation and Modification Agreement,

b. Mortgages 1 through 5 were consolidated to form a single lien in the sum of $26,250,000.00.

c. Release of part of mortgaged premises made by The Travelers Insurance Company, dated April 8, 1992, and recorded in the New York County Register's Office on April 14, 1992 in Reel 1862, Page 1475. This releases the fee of Block 1259 Lot 117 from the lien of Mortgage 4.

d. Said Spreader, Consolidation and Modification Agreement was amended pursuant to a certain First Amendment to Agreement of Spreader, Consolidation and Modification of Mortgage, between Madara and Patrent, together doing business as Borrower and The Travelers Insurance Company (the "First Amendment to Spreader, Consolidation and Modification Agreement"), dated April 8, 1992, and recorded in the New York County Register's Office on April 14, 1992 in Reel 1862, Page 1479.

e. A Modification and Spreader Agreement was made by and between The Travelers Insurance Company and Borrower and Lawplaza, dated as of April 8, 1992, and recorded in the New York County Register's Office on April 14, 1992 in Reel 1862, Page 1530.

f. The foregoing was further modified and spread pursuant to a certain Modification and Spreader Agreement among The Travelers Insurance

Company, Borrower and Lawplaza, dated as of April 8, 1992, and recorded in the New York County Register's Office on April 14, 1992 in Reel 1862, Page 1552.

g. The foregoing was further reduced, modified and severed pursuant to a certain Agreement of Reduction, Modification and Severance among The Travelers Insurance Company, Borrower and Lawplaza, dated as of June 28, 1996, and recorded in the New York County Register's Office on July 10, 1996 in Reel 2342, Page 1157; and by which the lien of Mortgages 1 through 5, as amended, modified, severed and reduced, was split into two liens of: (i) $15,000,000.00, as evidenced by Mortgages 1 through 5, as modified; and (ii) $3,000,000.00 as evidenced by that certain mortgage, dated June 28, 1996, and more particularly described below as "Second Mortgage".

6. Which lien of $15,000,000.00 and the notes secured thereby was assigned by The Travelers Insurance Company to Praedium Bar LLC, by Assignment of Mortgage, dated September 30, 1996, and recorded October 11, 1996, in the New York County Register's Office, in Reel 2380, Page 1854.

7. Which Mortgage and the notes secured thereby, as modified, was assigned by Praedium by Assignment of Mortgage dated August 20, 1997, to SL Green Operating Partnership L.P., to be recorded in the New York County Register's office.

Second Mortgage
- ---------------

Mortgage, dated June 28, 1996, in the principal sum of $3,000,000.00 given by Borrower and Lawplaza to The Travelers Insurance Company, and recorded in the New York County Register's Office on July 10, 1996 in Reel 2342, Page 1125; and upon which $0 mortgage tax was duly paid and the note secured thereby ("Second Mortgage").

1. The Second Mortgage was assigned pursuant to an Assignment of Mortgage, dated September 30, 1996, made by The Travelers Insurance Company to Praedium Bar, LLC, and recorded in the New York County Register's Office on October 11, 1996 in Reel 2380, Page 1854.

Which Second Mortgage and notes secured thereby, was further assigned by Praedium by Assignment of Mortgage, dated August 20, 1997, to SL Green Operating Partnership, L.P., to be recorded in the New York County Register's Office.

17 Battery Place Mortgages
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1. Mortgage made by 17 Battery Place North Associates II to Connecticut Mutual Life Insurance Company in the amount of $6,500,000, dated as of June 9, 1986 and recorded on June 10, 1986 in the New York County Register's Office in Reel 1074, Page 514, upon which mortgage tax in the amount of $146,250 was paid and the note secured thereby ("17 Mortgage 1");

d. 17 Mortgage 1 was assigned pursuant to an Assignment of Mortgage, dated March 21, 1996, given by Massachusetts Mutual Life Insurance Company, successor by merger to Connecticut Mutual Life Insurance Company to CS First Boston Mortgage Capital Corp. and recorded in the New York County Register's Office on March 27, 1996, in Reel 2307, Page 1103.

2. Mortgage made by Downtown Acquisition Partners, L.P. to CS First Boston Mortgage Capital Corp. in the amount of $18,500,000, dated as of March 22, 1996 and recorded on March 27, 1996 in the New York County Register's Office in Reel 2307, Page 1110, upon which mortgage tax in the amount of $508,750 was paid and the note secured thereby ("17 Mortgage 2");

a. 17 Mortgage 1 and 17 Mortgage 2 were consolidated into a single lien of $25,000,000 by that certain Mortgage Consolidation, Modification, Extension, Assignment of Rents and Security Agreement between Downtown Acquisition Partners, L.P. and CS First Boston Mortgage Capital Corp. dated March 22, 1996 and recorded March 27, 1996 in Reel 2307, Page 1118.

b. 17 Mortgage 1 and 17 Mortgage 2, as consolidated, were assigned by that certain Assignment of Mortgage by Credit Suisse First Boston Mortgage Capital LLC, successor to CS First Boston Mortgage Capital Corp., to The Chase Manhattan Bank ("Chase"), as trustee under that certain Pool I Pooling and Servicing Agreement dated as of April 25, 1997 and recorded on June 6, 1997 in Reel 2463 Page 793.

c. 17 Mortgage 1 and 17 Mortgage 2, as consolidated and assigned, were assigned by Chase to SL Green Operating Partnership, L.P. by that certain Assignment of Mortgage dated December 19, 1997.

d. Partial Release of Mortgage by SL Green Operating Partnership, L.P. to SLG 17 Battery LLC dated as of December 19, 1997

e. Modification and Splitter Agreement dated as of December 19, 1997 by and between SL Green Operating Partnership, L.P. and 17 Battery Upper Partners LLC, which splits the lien of 17 Mortgage 1 and 17 Mortgage 2, as consolidated and assigned, into (i) a $15,500,000 mortgage (the "1/st/ Split Mortgage") and (ii) a $9,500,000 mortgage (the "2/nd/ Split Mortgage"), which 2/nd/ Split Mortgage

was assigned to G 17 Battery Partners LLC by that certain Assignment of Mortgage dated as of December 19, 1997 and is subordinate to the 1/st/ Split Mortgage pursuant to that certain Intercreditor and Subordination Agreement dated as of December 19, 1997 between SL Green Operating Partnership, L.P. and G 17 Battery Partners LLC.

SCHEDULE 12

Exceptions to Representations and Warranties

None

SCHEDULE 13

Permitted Investments

17 Battery Place Mortgage

17 Battery Place Tenancy-in-Common Interest

The Real Property Assets listed in Schedule 2.

SCHEDULE 14

Guarantors

None

SCHEDULE 15

Management Agreements

1. 1414 Avenue of the Americas, 1140 Avenue of the Americas, 70 West 36/th/ Street, 470 Park Avenue South, 29 West 35/th/ Street, 50 West 23/rd/ Street, 673 First Avenue, 1466 Broadway, 420 Lexington Avenue and 110 East 42/nd/ Street

Management Agreement dated August 20, 1997, as amended, entered into among SL GREEN OPERATING PARTNERSHIP, L.P., NEW GREEN 50W23 REALTY LLC, GREEN 673 REALTY LLC, SLG GRAYBAR LLC and NEW GREEN 1140 REALTY LLC (collectively, "Owner") and SL GREEN MANAGEMENT LLC ("Agent").

2. 36 West 44/th/ Street/35 West 43/rd/ Street (the Bar Building)

Management Agreement dated June 20, 1996 entered into by and between THE TRAVELERS INSURANCE COMPANY and SL GREEN MANAGEMENT CORP.

3. 17 Battery Place

Management and Leasing Agreement dated December 19, 1997 between 17 Battery Upper Partners LLC and SLG 17 Battery Place LLC as tenants-in-common and SL Green Management Corp. and SL Green Leasing, Inc.

SCHEDULE 16

Post-Closing Repairs

(see attached pages)

(TO BE COMPLETED AFTER DILIGENCE COMPLETED)

SCHEDULE 17

Existing Mortgage Debt

All those mortgages, existing as of the date hereof, which encumber all or a portion of 673 First Avenue, 50 West 23/rd/ Street, 470 Park Avenue South or 29 West 35/th/ Street, all located in New York, New York.

SCHEDULE 18

Graybar Leases

Graybar Building Ground Leases:
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1. That certain Ground Lease dated July 30, 1925 recorded September 12, 1925 between New York State Realty and Terminal Company, as lessor, and Eastern Offices, Inc., as lessee, recorded in Liber 3496, cp 183, as modified, extended and supplemented and assigned by numerous instruments.

2. That certain Ground Lease dated December 30, 1957, recorded December 31, 1957 between Webb & Knapp Inc. and Graysler Corporation, as lessors, and Mary J. Finnegan, as lessee, recorded in Liber 5024, cp 430, as modified, extended and supplemented and assigned by numerous instruments.

3. That certain Operating Lease dated December 30, 1957 recorded December 31, 1957 between Mary Finnegan, as lessor, and Rose Iacovone, as lessee, recorded in Liber 5024, cp 523, as modified, extended and supplemented and assigned by numerous instruments.

4. That certain Operating Sublease dated June 1, 1964, between Precision Dynamics Corporation, as lessor, and Graybar Building Company, as lessee, recorded in Liber 5293, cp 35, as modified, extended and supplemented and assigned by numerous instruments, the last of which assigns the lessee's interest thereunder to SLG Graybar LLC by instrument dated the date hereof.

SL GREEN OPERATING PARTNERSHIP, L.P., NEW GREEN 1140 REALTY LLC and SLG 17 BATTERY LLC
(collectively, Borrower)

to

LEHMAN BROTHERS HOLDINGS INC.
D/B/A LEHMAN CAPITAL, A DIVISION
OF LEHMAN BROTHERS HOLDINGS INC., Individually as a Co-Lender and
as Agent For One or More
Co-Lenders and as Syndication Agent as mortgagee
(Lender)

AGREEMENT OF SPREADER, CONSOLIDATION AND MODIFICATION OF MORTGAGE

Dated: As of March 20, 1998

PREPARED BY AND UPON
RECORDATION RETURN TO:

Thacher Proffitt & Wood
Two World Trade Center
New York, New York 10048

Attention: Mitchell G. Williams, Esq.
File No.: 16248-00337

THIS AGREEMENT OF SPREADER, CONSOLIDATION, AND MODIFICATION OF MORTGAGE (the "Security Instrument") is made as of March 20, 1998 among SL GREEN OPERATING PARTNERSHIP, L.P. (the "Partnership"), NEW GREEN 1140 REALTY LLC (the "Green LLC") and SLG 17 BATTERY LLC (the "17 LLC"; the Partnership, the Green LLC and the 17 LLC are hereinafter referred to as, individually and collectively, as the context requires as, the "Borrower") each having an address at 70 West 36/th/ Street, New York, New York 10018, and LEHMAN BROTHERS HOLDINGS INC. D/B/A LEHMAN CAPITAL, A DIVISION OF LEHMAN BROTHERS HOLDINGS INC., a Delaware corporation ("Lehman"), having an address at Three World Financial Center, 200 Vesey Street, New York, New York 10285 as mortgagee (the term "Lender" hereinafter referring to Lehman individually as a Co- Lender (as defined in the Loan Agreement (herein defined)) and as Agent (as defined in the Loan Agreement) for one or more Co-Lenders and as Syndication Agent (as defined in the Loan Agreement).

RECITALS:

Borrower is the fee owner of the Land (as defined in Section 1.1(a)) and the leasehold owner of the Leased Land (as defined in Section 1.1(b)) and Lender is the owner and holder of certain mortgages covering the fee estate in the Land and the leasehold estate of Borrower in the Leased Land, which mortgages are more particularly described in Exhibit C attached hereto (hereinafter collectively referred to as the "Existing Mortgages"), and of the notes, bonds or other obligations secured thereby (hereinafter collectively referred to as the "Existing Notes").

There is now owing on the Existing Notes and the Existing Mortgages the unpaid principal sum of $149,513,915.20 together with interest thereon (the "Existing Indebtedness").

Borrower by its Consolidated Amended and Restated Promissory Note of even date herewith given to Lender is indebted to Lender in the aggregate principal sum of $275,000,000.00 (the Consolidated Amended and Restated Promissory Note together with all modifications, substitutions and amendments thereof shall collectively be referred to as the "Note"). The Note evidences a new indebtedness of $125,486,084.80 together with the renewal, confirmation, extension, modification, amendment and restatement of an existing indebtedness of $149,513,915.20 evidenced by the Existing Notes secured by the Existing Mortgages, with interest from the date thereof at the rates set forth in the Note, principal and interest to be payable in accordance with the terms and conditions provided in the Note.

Borrower and Lender have agreed in the manner hereinafter set forth to (i) spread the Existing Mortgages and the respective liens thereof over those portions of the Property (as defined in Section 1.1) not already covered thereby, (ii) consolidate and coordinate the respective liens of the Existing Mortgages and (iii) modify the terms and provisions of the Existing Mortgages.

Borrower desires to secure the timely payment of the Debt (as defined in Article

2) and the performance of all of its obligations under the Note, the Loan Agreement and the Other Obligations (as defined in Article 2).

NOW, THEREFORE, in pursuance of said agreement and in consideration of One Dollar ($1) and other valuable consideration, the parties hereto agree as follows:

A. SPREADING OF MORTGAGE. The Existing Mortgages and the respective liens thereof are hereby spread to cover those portions of the Property not already covered thereby.

B. CONSOLIDATION OF MORTGAGES. The liens of the Existing Mortgages as so spread, are hereby consolidated and coordinated so that together they shall hereafter constitute in law but one mortgage, a single lien, covering the Property and securing the principal sum of $149,513,915.30, together with interest thereon as hereinafter provided (the Existing Mortgages, as so spread, consolidated and coordinated and as modified, amended, restated, ratified and confirmed pursuant to the provisions of this Agreement being hereinafter collectively referred to as the "Security Instrument").

C. INTENTIONALLY DELETED.

D. THIS AGREEMENT.

(1) Borrower shall promptly cause this Agreement to be filed, registered or recorded in such manner and in such places as may be required by any present or future law in order to publish notice and fully to protect the lien of the Security Instrument upon, and the interest of Lender in, the Property. Borrower will pay all filing, registration and recording fees, and all reasonable expenses incident to the preparation, execution and acknowledgment of this Agreement, and all Federal, state, county and municipal taxes, duties, imposts, assessments and charges arising out of or in connection with the filing, registration, recording, execution and delivery of this Agreement and Borrower shall hold harmless and indemnify Lender against any liability incurred by reason of the imposition of any tax on the issuance, making, filing, registration or recording of this Agreement.

(2) Borrower represents, warrants and covenants that there are no offsets, counterclaims or defenses against the Debt, this Agreement, the Security Instrument, the Loan Agreement or the Note, that Borrower has full power, authority and legal right to execute this Agreement and to keep and observe all of the terms of this Agreement on Borrower's part to be observed or performed, and that the Loan Agreement, the Note, the Security Instrument and this Agreement constitute valid and binding obligations of Borrower.

(3) This Agreement, and any provisions hereof, may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Borrower or Lender, but only by an agreement in writing signed by the party against whom the enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

(4) This Agreement shall be binding upon and inure to the benefit of Borrower and Lender and their respective successors and assigns.

(5) This Agreement may be executed in any number of duplicate originals and each duplicate original shall be deemed to be an original. The Agreement may be executed in several counterparts, each of which counterparts shall be deemed an original instrument and all of which together shall constitute a single agreement. The failure of any party hereto to execute this Agreement, or any counterpart hereof, shall not relieve the other signatories from their obligations hereunder.

(6) If any term, covenant or condition of this Agreement shall be held to be invalid, illegal or unenforceable in any respect, this Agreement shall be construed without such provision.

(7) This Agreement shall be governed by and construed in accordance with the laws of the State of New York and the applicable laws of the United States of America.

(8) Except as otherwise provided to the contrary in the following numbered Sections, all defined terms in the following numbered Sections shall have the meaning given to such terms in the above body of this Agreement and all references to the "Note" and the "Security Instrument" shall refer to the Existing Mortgages as spread, coordinated, combined, consolidated, modified, amended and restated pursuant to the provisions of this Agreement.

J. MODIFICATION OF MORTGAGE. The terms, covenants and provisions of the Existing Mortgages are hereby modified, amended and restated so that henceforth the terms, covenants and provisions of this Agreement and the Loan Agreement shall supersede the terms, covenants and provisions of the Existing Mortgages and the terms, covenants and provisions of the Existing Mortgages shall read the same as the following Articles and Sections of this Agreement. The Security Instrument as herein modified, amended, spread and restated, is

hereby ratified and confirmed in all respects by Borrower.

ARTICLE 1 - GRANTS OF SECURITY

Section 1.1. PROPERTY MORTGAGED. Borrower does hereby irrevocably mortgage, grant, bargain, sell, pledge, assign, warrant, transfer and convey to Lender, and grant a security interest to Lender in and to the following property, rights, interests and estates to the extent now owned or hereafter acquired by Borrower (hereinafter referred to, individually and collectively, as the context requires as, the "Property"):

(a) Land. The real property described in Exhibit A attached hereto and made a part hereof (the "Land");

(b) Ground Lease. That certain ground lease (the "Ground Lease") dated October 1, 1951, by and between Phoenix Mutual Life Insurance Company ("Owner"), and 67 West 44/th/ Street Inc., which by those certain assignments described in Exhibit B attached hereto and by that certain Assignment and Assumption of Ground Lease, dated August 20, 1997, by and between 1140 Sixth Avenue Associates, L.P. and the Green LLC, been assigned to the Green LLC, as tenant and the leasehold estate created thereby in the real property described therein and in Exhibit B attached hereto which is made a part hereto (the "Leased Land"), including all assignments, modifications, extensions and renewals of the Ground Lease and all credits, deposits, options, privileges and rights of the Green LLC as tenant under the Ground Lease, including but not limited to, the right, if any, to renew or extend the Ground Lease for a succeeding term or terms and also including all the right, title, claim or demand whatsoever of Lender either in law or in equity, in possession or expectancy, of, in and to the Green LLC's right, as tenant under the Ground Lease, to elect under Section 365(h)(1) of the Bankruptcy Code, Title 11 U.S.C.A. Section101 et seq. (the "Bankruptcy Code") to terminate or treat the Ground Lease as terminated in the event (i) of the bankruptcy reorganization or insolvency of the Owner, and (ii) the rejection of the Ground Lease by the Owner, as debtor in possession, or by a Trustee for the Owner, pursuant to Section 365 of the Bankruptcy Code;

(c) Additional Land. All additional lands, estates and development rights hereafter acquired by Borrower for use in connection with the Land and/or the Leased Land and the development of the Land and/or the Leased Land and all additional lands and estates therein which may, from time to time, by supplemental mortgage or otherwise be expressly made subject to the lien of this Security Instrument;

(d) Improvements. The buildings, structures, fixtures, additions, enlargements, extensions, modifications, repairs, replacements and improvements now or hereafter erected or located on the Land and/or the Leased Land (the "Improvements");

(e) Easements. All easements, rights-of-way or use, rights, strips and gores of land, streets, ways, alleys, passages, sewer rights, water, water courses, water rights and powers, air rights and development rights, and all estates, rights, titles, interests, privileges, liberties, servitudes, tenements, hereditaments and appurtenances of any nature whatsoever, in any way now or hereafter belonging, relating or pertaining to the Land, the Leased Land and/or the Improvements including, but not limited to, those arising under and by virtue of the Ground Lease, and the reversion and reversions, remainder and remainders, and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Land and/or the Leased Land, to the center line thereof and all the estates, rights, titles, interests, dower and rights of dower, curtesy and rights of curtesy, property, possession, claim and demand whatsoever, both at law and in equity, of Borrower of, in and to the Land, the Leased Land and/or the Improvements, including, but not limited to, those arising under and by virtue of the Ground Lease, and every part and parcel thereof, with the appurtenances thereto;

(f) Fixtures and Personal Property. All machinery, equipment, fixtures (including, but not limited to, all heating, air conditioning, plumbing, lighting, communications and elevator fixtures) and other property of every kind and nature whatsoever owned by Borrower, or in which Borrower has or shall have an interest, now or hereafter located upon the Land, the Leased Land and/or the Improvements, or appurtenant thereto, and usable in connection with the present or future operation and occupancy of the Land, the Leased Land and/or the Improvements and all building equipment, materials and supplies of any nature whatsoever owned by Borrower, or in which Borrower has or shall have an interest, now or hereafter located upon the Land, the Leased Land and/or the Improvements, or appurtenant thereto, and usable in connection with the present or future operation and occupancy of the Land, the Leased Land and/or the Improvements (collectively, the "Personal Property"), and the right, title and interest of Borrower in and to any of the Personal Property which may be subject to any security interests, as defined in the Uniform Commercial Code, as adopted and enacted by the state or states where any of the Property is located (the "Uniform Commercial Code"), superior in lien to the lien of this Security Instrument and all proceeds and products of the above;

(g) Leases and Rents. All leases and other agreements affecting the use, enjoyment or occupancy of the Land, the Leased Land, and the Improvements heretofore or hereafter entered into, whether entered into before or after the filing by or against Borrower of any petition for relief under 11 U.S.C. Section 101, et seq. as the same may be amended from time to time (the "Bankruptcy Code") (the "Leases") and all right, title and interest of Borrower, its successors and assigns therein and thereunder, including, without limitation, cash or securities, if any, and other cash equivalents, if any, and any Lease Guaranties (hereinafter defined) deposited thereunder to secure the performance by the lessees of their obligations thereunder and all rents, income, additional rents, revenues, issues, profits (including all oil and gas or other mineral royalties and bonuses), pass throughs, tenant-required contributions for taxes, costs for major improvements, leasing commissions, capital expenditures and other cash items from the Land and the Improvements whether paid or accruing before or after the filing by or against Borrower of any petition for relief under the Bankruptcy Code and all proceeds from the sale, termination or other disposition of the Leases or from any award, judgment or payment which may heretofore or hereafter be made with respect to any action or proceeding brought with respect to the Leases whether paid or accruing before or after the filing by or against Borrower of any petition for relief under the Bankruptcy Code (collectively, the "Rents") and the right to receive and apply the Rents to the payment of the Debt; and all deposits made by Borrower pursuant to this Security Instrument or other agreement with Lender regarding the Property and any accounts in which such deposits are held;

(h) Condemnation Awards. All awards or payments, including interest thereon, which may heretofore and hereafter be made with respect to the Property, whether from the exercise of the right of eminent domain (including but not limited to any transfer made in lieu of or in anticipation of the exercise of the right), or for a change of grade, or for any other injury to or decrease in the value of the Property;

(i) Insurance Proceeds. All proceeds of and any unearned premiums on any insurance policies covering the Property, including, without limitation, the right to receive and apply the proceeds of any insurance, judgments, or settlements made in lieu thereof, for damage to the Property;

(j) Tax Certiorari. All refunds, rebates or credits in connection with a reduction in real estate taxes and assessments charged against the Property as a result of tax certiorari or any applications or proceedings for reduction;

(k) Conversion. All proceeds of the conversion, voluntary or involuntary, of any of the foregoing including, without limitation, proceeds of insurance and condemnation awards, into cash or liquidation claims;

(l) Rights. The right, in the name and on behalf of Borrower, to appear in and defend any action or proceeding brought with respect to the Property and to commence any action or proceeding to protect the interest of Lender in the Property;

(m) Agreements. All agreements, contracts, certificates, instruments, franchises, permits, licenses, plans, specifications and other documents, now or hereafter entered into, and all rights therein and thereto, respecting or pertaining to the use, occupation, construction, management or operation of the Land and/or the Leased Land and any part thereof and any Improvements or respecting any business or activity conducted on the Land and/or the Leased Land and any part thereof and all right, title and interest of Borrower therein and thereunder, including, without limitation the right, upon the happening of any default hereunder, to receive and collect any sums payable to Borrower thereunder;

(n) Trademarks. All tradenames, trademarks, servicemarks, logos, copyrights, goodwill, books and records and all other general intangibles relating to or used in connection with the operation of the Property;

(o) Other Rights. Any and all other rights of Borrower in and to the items set forth in Subsections (a) through (n) above and all proceeds and products of any of the foregoing and all rights and privileges pertaining thereto.

Section 1.2. ASSIGNMENT OF RENTS. Borrower hereby absolutely and unconditionally assigns to Lender Borrower's right, title and interest in and to all current and future Leases and Rents; it being intended by Borrower that this assignment constitutes a present, absolute assignment and not an assignment for additional security only. Nevertheless, subject to the terms of this Section 1.2, Section 3.7, and Section 4.4, Lender grants to Borrower a revocable license to collect and receive the Rents. Borrower shall hold the Rents, or a portion thereof sufficient to discharge all current sums due on the Debt, for use in the payment of such sums.

Section 1.3. SECURITY AGREEMENT. This Security Instrument is both a

real property mortgage and a "security agreement" within the meaning of the Uniform Commercial Code. The Property includes both real and personal property and all other rights and interests, whether tangible or intangible in nature, of Borrower in the Property. By executing and delivering this Security Instrument, Borrower hereby grants to Lender, as security for the Obligations (defined in Section 2.3), a security interest in the Personal Property to the full extent that the Personal Property may be subject to the Uniform Commercial Code.

Section 1.4. PLEDGE OF MONIES HELD. Borrower hereby pledges to Lender any and all monies now or hereafter held by Lender, including, without limitation, any sums deposited in the Escrow Fund (as defined in Section 3.5), Net Proceeds (as defined in Section 4.3), the Lock-Box Account (as defined in Section 4.4), if any, and condemnation awards or payments described in Section 3.6, as additional security for the Obligations until expended or applied as provided in this Security Instrument.

CONDITIONS TO GRANT

TO HAVE AND TO HOLD the above granted and described Property, with all privileges and appurtenances thereunto belonging unto and to the use and benefit of Lender and the heirs, successors and assigns of Lender, forever; provided, however, with respect to the Ground Lease and the Leased Land, such period shall be for and during the rest, residue and remainder of the term of years yet to come and unexpired in the Ground Lease (as the same may be renewed or extended); subject nevertheless to the rents, covenants, conditions and provisions of the Ground Lease;

PROVIDED, HOWEVER, these presents are upon the express condition that, if Borrower shall well and truly pay to Lender the Debt at the time and in the manner provided in the Note and this Security Instrument, shall well and truly perform the Other Obligations as set forth in this Security Instrument and shall well and truly abide by and comply with each and every covenant and condition set forth herein and in the Note, these presents and the estate hereby granted shall cease, terminate and be void.

ARTICLE 2. - DEBT AND OBLIGATIONS SECURED

Section 2.1. DEBT. This Security Instrument and the grants, assignments and transfers made in Article 1 are given for the purpose of securing the following, in such order of priority as Lender may determine in its sole discretion (the "Debt"):

(a) the payment of the indebtedness evidenced by the Note in lawful money of the United States of America;

(b) the payment of interest, default interest, late charges and other sums, as provided in the Note, the Loan Agreement, this Security Instrument or Other Security Documents (defined below);

(c) Funding Costs (as defined in the Loan Agreement);

(d) the payment of all other moneys agreed or provided to be paid by Borrower in the Note, the Loan Agreement, this Security Instrument or the Other Security Documents including, but not limited to, all Fees (as defined in the Loan Agreement) and Transaction Costs (as defined in the Loan Agreement);

(e) the payment of all sums advanced pursuant to this Security Instrument to protect and preserve the Property and the lien and the security interest created hereby; and

(f) the payment of all sums advanced and costs and expenses incurred by Lender in connection with the Debt or any part thereof, any renewal, extension, or change of or substitution for the Debt or any part thereof, or the acquisition or perfection of the security therefor, whether made or incurred at the request of Borrower or Lender.

Notwithstanding the provisions this Section 2.1 to the contrary, Borrower agrees that all payments made to reduce the amount of the Debt shall be deemed applied first to that portion of the Debt that is in excess of the Existing Indebtedness secured by this Security Instrument.

Section 2.2. OTHER OBLIGATIONS. This Security Instrument and the grants, assignments and transfers made in Article 1 are also given for the purpose of securing the following (the "Other Obligations"):

(a) the performance of all other obligations of Borrower contained herein;

(b) the performance of each obligation of Borrower contained in any other agreement given by Borrower to Lender which is for the purpose of further securing the obligations secured hereby, and any amendments, modifications and changes thereto; and

(c) the performance of each obligation of Borrower contained in any renewal, extension, amendment, modification, consolidation, change of, or substitution or replacement for, all or any part of the Note, the Loan Agreement, this Security Instrument or Other Security Documents.

Section 2.3. DEBT AND OTHER OBLIGATIONS. Borrower's obligations for

the payment of the Debt and the performance of the Other Obligations shall be referred to collectively below as the "Obligations."

Section 2.4. PAYMENTS. Unless payments are made in the required amounts in immediately available funds at the place where the Note is payable, remittances in payment of all or any part of the Debt shall not, regardless of any receipt or credit issued therefor, constitute payment until the required amount is actually received by Lender in funds immediately available at the place where the Note is payable (or any other place as Lender, in Lender's sole discretion, may have established by delivery of written notice thereof to Borrower) and shall be made and accepted subject to the condition that any check or draft may be handled for collection in accordance with the practice of the collecting bank or banks. Acceptance by Lender of any payment in an amount less than the amount then due shall be deemed an acceptance on account only, and the failure to pay the entire amount then due shall be and continue to be an Event of Default (defined herein).

ARTICLE 3. - BORROWER COVENANTS

Borrower covenants and agrees that:

Section 3.1. PAYMENT OF DEBT. Borrower will pay the Debt at the time and in the manner provided in the Note and in this Security Instrument.

Section 3.2. INCORPORATION BY REFERENCE. All the covenants, conditions and agreements contained in (a) the Loan Agreement, (b) the Note and (c) all and any of the documents other than the Note, the Loan Agreement or this Security Instrument now or hereafter executed by Borrower and/or others and by or in favor of Lender, which wholly or partially secure or guaranty payment of the Note, including without limitation each Loan Document (as defined in the Loan Agreement) (the "Other Security Documents"), are hereby made a part of this Security Instrument to the same extent and with the same force as if fully set forth herein.

Section 3.3. INSURANCE. Borrower shall obtain and maintain, or cause to be maintained, insurance for Borrower and the Property as provided in the Loan Agreement.

Section 3.4. PAYMENT OF TAXES, ETC. (a) Borrower shall promptly pay all taxes, assessments, water rates, sewer rents, governmental impositions, and other charges, including without limitation vault charges and license fees for the use of vaults, chutes and similar areas adjoining the Land and/or the Leased Land, now or hereafter levied or assessed or imposed against the Property or any part thereof (the "Taxes"), all ground rents payable under the Ground Lease (the "Ground Rents"), maintenance charges and similar charges, now or hereafter levied or assessed or imposed against the Property or any part thereof (the "Other Charges"), and all charges for utility services (other than those specifically billed to, and payable by, tenants) provided to the Property as same become due and payable. Borrower will deliver to Lender, promptly upon Lender's request, evidence reasonably satisfactory to Lender that the Taxes, Other Charges and utility service charges have been so paid or are not then delinquent. Borrower shall not suffer and shall promptly cause to be paid and discharged any lien or charge whatsoever which may be or become a lien or charge against the Property. Except to the extent sums sufficient to pay all Taxes and Other Charges have been deposited with Lender in accordance with the terms of this Security Instrument, Borrower, upon Lender's request, shall furnish to Lender paid receipts (or, if paid receipts are not available, other evidence reasonably satisfactory to Lender) for the payment of the Taxes and Other Charges prior to the date the same shall become delinquent.

(b) After prior written notice to Lender, Borrower, at its own expense, may contest by appropriate legal proceeding, promptly initiated and conducted in good faith and with due diligence, the amount or validity or application in whole or in part of any of the Taxes, provided that (i) no event, act or condition which, with the giving of notice or lapse of time, or both, would constitute an Event of Default (a "Default") or Event of Default has occurred and is continuing under the Loan Agreement, the Note, this Security Instrument or any of the Other Security Documents, (ii) Borrower is not prohibited from doing so under the provisions of any other mortgage, deed of trust or deed to secure debt affecting the Property, (iii) such proceeding shall suspend the collection of the Taxes from Borrower and from the Property or Borrower shall have paid all of the Taxes under protest, (iv) such proceeding shall be permitted under and be conducted in accordance with the provisions of any other instrument to which Borrower is subject and shall not constitute a default thereunder, (v) neither the Property nor any part thereof or interest therein will be in danger of being sold, forfeited, terminated, cancelled or lost, (vi) Borrower shall have deposited with Lender adequate reserves for the payment of the Taxes, together with all interest and penalties thereon, unless Borrower has paid all of the Taxes under protest, and (vii) Borrower shall have furnished the security as may be required in the proceeding, together with all interest and penalties thereon.

Section 3.5. ESCROW FUND. Subject to the last sentence of this Section 3.5, Borrower shall pay to Lender on the first day of each calendar month (a) one-twelfth of an amount which would be sufficient to

pay the Taxes payable, or reasonably estimated by Lender to be payable, during the next ensuing twelve (12) months and (b) one-twelfth of an amount which would be sufficient to pay the payment of the premiums due under the Policies (as defined in the Loan Agreement) (the "Insurance Premiums") due for the renewal of the coverage afforded by the Policies upon the expiration thereof (the amounts in (a) and (b) above shall be called the "Escrow Fund"). Borrower agrees to notify Lender promptly of any changes to the amounts, schedules and instructions for payment of any Taxes and Insurance Premiums of which it has obtained knowledge and authorizes Lender or its agent to obtain the bills for Taxes and Other Charges directly from the appropriate taxing authority. The Escrow Fund and the payments of interest or principal or both, payable pursuant to the Note shall be added together and shall be paid as an aggregate sum by Borrower to Lender. Lender will apply the Escrow Fund to payments of Taxes and Insurance Premiums required to be made by Borrower pursuant to Sections 3.3 and 3.4 hereof. If the amount of the Escrow Fund shall exceed the amounts due for Taxes and Insurance Premiums pursuant to Sections 3.3 and 3.4 hereof, Lender shall, in its discretion, return any excess to Borrower or credit such excess against future payments to be made to the Escrow Fund. In allocating such excess, Lender may deal with the person shown on the records of Lender to be the owner of the Property. If the Escrow Fund is not sufficient to pay the items set forth in (a) and (b) above, Borrower shall pay to Lender, promptly after demand, an amount which Lender shall reasonably estimate as sufficient to make up the deficiency. The Escrow Fund shall be held in a non-interest bearing account, shall not constitute a trust fund and may be commingled with other monies held by Lender. No earnings or interest on the Escrow Fund shall be payable to Borrower. The obligations contained in this Section 3.5 shall be applicable only upon, and from and after, notification thereof by Lender, which notification may take place (i) at any time a Default or Event of Default has occurred and is continuing or (ii) if Borrower is delinquent, beyond any applicable notice and grace periods, in the payment of any Taxes or Insurance Premiums two or more times during the term of the Loan.

Section 3.6. CONDEMNATION. Borrower shall promptly give Lender notice of the actual or threatened commencement of any condemnation or eminent domain proceeding and shall deliver to Lender copies of any and all papers served in connection with such proceedings. Lender may participate in any such proceedings, and Borrower shall from time to time deliver to Lender all instruments requested by it to permit such participation. Borrower shall, at its expense, diligently prosecute any such proceedings, and shall consult with Lender, its attorneys and experts, and cooperate with them in the carrying on or defense of any such proceedings. Notwithstanding any taking by any public or quasi-public authority through eminent domain or otherwise (including but not limited to any transfer made in lieu of or in anticipation of the exercise of such taking), Borrower shall continue to pay the Debt at the time and in the manner provided for its payment in the Note and in this Security Instrument and the Debt shall not be reduced until any award or payment therefor shall have been actually received and applied by Lender, after the deduction of expenses of collection, to the reduction or discharge of the Debt. Lender shall not be limited to the interest paid on the award by the condemning authority but shall be entitled to receive out of the award interest at the rate or rates provided herein or in the Note. If the Property or any portion thereof is taken by a condemning authority, Borrower shall promptly commence and diligently prosecute the Restoration (as defined in the Loan Agreement) of the Property and otherwise comply with the provisions of Section 4.3 of this Security Instrument. In the event Lender is not required to disburse Net Proceeds (as defined herein) to Borrower in accordance with Section 4.3 of this Security Instrument, Lender may apply any award or payment to the reduction or discharge of the Debt whether or not then due and payable. The amount of any award or payment so applied in excess of the Debt shall be returned to Borrower. If the Property is sold, through foreclosure or otherwise, prior to the receipt by Lender of the award or payment, Lender shall have the right, whether or not a deficiency judgment on the Note shall have been sought, recovered or denied, to receive the award or payment, or a portion thereof sufficient to pay the Debt.

Section 3.7. LEASES AND RENTS. (a) Except as otherwise consented to by Lender, or as may be provided in Subsection 3.7(b) below, all Leases shall be written on the standard form of lease which shall have been approved by Lender. Upon request, Borrower shall furnish Lender with executed originals of all Leases or copies thereof. No material changes may be made to the Lender-approved standard lease without the prior written consent of Lender, which consent shall be deemed granted if not otherwise denied within ten (10) Business Days after Lender's receipt of any written request for approval; provided, however that if such request includes a copy of the lease marked to indicate the variations from the standard form approved by Lender, the period within which Lender must respond shall be reduced to seven (7) Business Days. In addition, all renewals of Leases and all proposed leases shall provide for rental rates and terms comparable to existing local market rates and terms and shall be arms-length transactions with bona fide, independent third party tenants. All proposed Leases and renewals of existing Leases shall be subject to the prior approval of Lender and its counsel, at Borrower's expense, which consent shall be deemed granted if not otherwise denied within ten (10) Business Days after Lender's receipt of written request for approval; provided, however that if such request includes a copy of the proposed or renewal lease marked to indicate the variations from the standard form approved by Lender, the period within which Lender must respond shall be reduced to seven (7) Business Days. All Leases shall provide that they are subordinate to this Security Instrument and that the lessee agrees to attorn to Lender. Borrower (i) shall observe and perform all the obligations imposed upon the lessor under the Leases (except that with respect to the Ground Lease, it shall observe and perform all of the obligations imposed

upon lessee) and shall not do or permit to be done anything to impair the value of the Leases as security for the Debt; (ii) shall promptly send copies to Lender of all notices of default which Borrower shall send or receive thereunder; (iii) shall enforce all of the terms, covenants and conditions contained in the Leases upon the part of the lessee thereunder to be observed or performed, short of termination thereof; (iv) shall not collect any of the Rents more than one (1) month in advance; (v) shall not execute any other assignment of the lessor's interest in the Leases or the Rents; (vi) shall not alter, modify or change the terms of the Leases without the prior written consent of Lender, or cancel or terminate the Leases or accept a surrender thereof or convey or transfer or suffer or permit a conveyance or transfer of the Land or of any interest therein so as to effect a merger of the estates and rights of, or a termination or diminution of the obligations of, lessees thereunder; (vii) shall not alter, modify or change the terms of any guaranty, letter of credit or other credit support with respect to the Leases (the "Lease Guaranty") or cancel or terminate such Lease Guaranty without the prior written consent of Lender; and (viii) shall not consent to any assignment of or subletting under the Leases not in accordance with their terms, without the prior written consent of Lender. Borrower agrees that it will give prompt notice to Lender at any time that (A) Leases comprising more than five percent (5%) of the leasable space in the Property, whether individually or in the aggregate, are terminated or have expired and have not been renewed by the related tenant thereunder or (B) tenants under Leases comprising more than five percent (5%) of the leasable space in the Property, whether individually or in the aggregate, have vacated their leased space, ceased operating their business in such space or have subleased such space, commenced any action or proceeding relating to bankruptcy, made an assignment for the benefit of creditors or availed themselves or have been subjected to any similar action or proceeding. Upon written request made by Borrower, Lender shall enter into its standard form of subordination, non-disturbance and attornment agreement with any tenant or proposed tenant occupying or to occupy at least 5,000 square feet of leasable space in the Property, provided that all other conditions which may apply to any such tenant or its respective Lease under this Article 3.7 have been satisfied.

(b) Notwithstanding the provisions of Subsection 3.7(a) above, renewals or amendments of existing Leases and proposed Leases for commercial space shall not be subject to the prior approval of Lender provided all of the following conditions are satisfied: (i) the rental income pursuant to the renewal, or amended or proposed Lease is not more than ten percent (10%) of the total rental income for the Property, (ii) the renewal, amended or proposed Lease covers less than ten percent (10%) of the Property, in the aggregate ((i) and (ii), "Minor Leases"), (iii) the renewal, amended or proposed Lease shall provide for rental rates and terms comparable to existing local market rates and terms, (iv) the renewal or proposed Lease shall be an arms-length transaction with a bona fide, independent third party tenant and (v) the renewal, amended or proposed Lease shall satisfy other criteria as shall be reasonably required by Lender and of which Borrower has been notified by Lender at least thirty (30) days prior to the date on which the relevant document is executed. Borrower shall deliver to Lender copies of all Leases which are entered into pursuant to the preceding sentence together with Borrower's certification that it has satisfied all of the conditions of the preceding sentence within thirty (30) days after the execution of the Lease.

(c) To the extent permitted by law, Borrower shall promptly deposit with Lender any and all monies representing security deposits under the Leases, whether or not Borrower actually received such monies (the "Security Deposits"). Lender shall hold the Security Deposits in accordance with the terms of the respective Lease, and shall only release the Security Deposits in order to return a tenant's Security Deposit to such tenant if such tenant is entitled to the return of the Security Deposit under the terms of the Lease and is not otherwise in default under the Lease. To the extent required by Applicable Laws (defined below), Lender shall hold the Security Deposits in an interest bearing account selected by Lender in its sole discretion. The provisions of this Section 3.7(c) shall be applicable only upon notification by Lender, which notification may take place at any time a Default or Event of Default has occurred and is continuing. If such Security Deposits are held by Borrower, Borrower shall deposit the Security Deposits into a segregated account with a federally insured institution as approved by Lender.

Section 3.8. MAINTENANCE OF PROPERTY. Borrower shall cause the Property to be maintained in a good and safe condition and repair. The Improvements and the Personal Property shall not be removed, demolished or materially altered (except for normal replacement of the Personal Property) without the consent of Lender, which consent shall not be unreasonably withheld, except that Lender's approval shall not be required for non-structural alterations made by Borrower or tenant improvements made pursuant to the terms of any Lease that has otherwise been approved by Lender or for which Lender's approval is not required, or, in the case of Personal Property, if it is to be replaced. Borrower shall promptly repair, replace or rebuild any part of the Property which may be destroyed by any casualty, or become damaged, worn or dilapidated or which may be affected by any proceeding of the character referred to in Section 3.6 hereof and shall complete and pay for any structure at any time in the process of construction or repair on the Land and/or the Leased Land. Borrower shall not initiate, join in, acquiesce in, or consent to any change in any private restrictive covenant, zoning law or other public or private restriction, limiting or defining the uses which may be made of the Property or any part thereof. If under applicable zoning provisions the use of all or any material portion of the Property is or shall become a nonconforming use, Borrower will not cause or permit the

nonconforming use to be discontinued or abandoned without the express written consent of Lender, which consent shall not be unreasonably withheld.

Section 3.9. WASTE. Borrower shall not commit or suffer any waste of the Property or make any change in the use of the Property which will in any way materially increase the risk of fire or other hazard arising out of the operation of the Property, or take any action that might invalidate or give cause for cancellation of any Policy, or do or permit to be done thereon anything that may in any way materially impair the value of the Property or the security of this Security Instrument. Borrower will not, without the prior written consent of Lender, permit any drilling or exploration for or extraction, removal, or production of any minerals from the surface or the subsurface of the Land, regardless of the depth thereof or the method of mining or extraction thereof.

Section 3.10. COMPLIANCE WITH LAWS. (a) Borrower shall promptly comply with (or cause compliance with) all existing and future federal, state and local laws, orders, ordinances, governmental rules and regulations or court orders affecting or which may be interpreted to affect the Property, or the use thereof including, but not limited to, the Americans with Disabilities Act ("ADA") (collectively, the "Applicable Laws"), except for Applicable Laws, (a) which Borrower is contesting in good faith and in compliance with and pursuant to appropriate proceedings diligently prosecuted (provided that such contest does not and cannot (i) expose Lender or Borrower to any criminal liability or penalty, (ii) give rise to a lien against the Property, or (iii) otherwise materially adversely affect the Property or the value thereof, or (b) the failure to observe which, taken individually or in the aggregate, could not be reasonably expected to result in a Material Adverse Effect (as defined in the Loan Agreement).

(b) Borrower shall from time to time, upon Lender's request, provide Lender with evidence reasonably satisfactory to Lender that the Property complies with all Applicable Laws or is exempt from compliance with Applicable Laws.

(c) Notwithstanding any provisions set forth herein or in any document regarding Lender's approval of alterations of the Property, Borrower shall not alter the Property in any manner which would materially increase Borrower's responsibilities for compliance with Applicable Laws without the prior written approval of Lender, which approval shall not be unreasonably withheld. Lender's approval of the plans, specifications, or working drawings for alterations of the Property shall create no responsibility or liability on behalf of Lender for their completeness, design, sufficiency or their compliance with Applicable Laws. The foregoing shall apply to tenant improvements constructed by Borrower or by any of its tenants. Lender may condition any such approval upon receipt of a certificate of compliance with Applicable Laws from an independent architect, engineer, or other person acceptable to Lender.

(d) Borrower shall give prompt notice to Lender of the receipt by Borrower of any notice related to a violation of any Applicable Laws and of the commencement of any proceedings or investigations which relate to compliance with Applicable Laws.

(e) Borrower will take appropriate measures to prevent and will not engage in or knowingly permit any illegal activities at the Property.

Section 3.11. INTENTIONALLY OMITTED.

Section 3.12. PAYMENT FOR LABOR AND MATERIALS. Borrower will promptly pay when due all bills and costs for labor, materials, and specifically fabricated materials incurred by or on behalf of Borrower in connection with the Property and never permit to exist beyond the due date thereof in respect of the Property or any part thereof any lien or security interest, subject to Borrower's right to contest the same as set forth in this Security Instrument, even though inferior to the liens and the security interests hereof, and in any event never permit to be created or exist in respect of the Property or any part thereof any other or additional lien or security interest other than the liens or security interests hereof, except for the Permitted Exceptions (defined below).

Section 3.13. INTENTIONALLY OMITTED.

Section 3.14. PERFORMANCE OF OTHER AGREEMENTS. Borrower shall observe and perform each and every term to be observed or performed by Borrower pursuant to the terms of any agreement or recorded instrument affecting or pertaining to the Property, or given by Borrower to Lender for the purpose of further securing an obligation secured hereby and any amendments, modifications or changes thereto.

Section 3.15. BUSINESS WITH AFFILIATES. Borrower shall not engage in business transactions with any Affiliate (as defined in the Loan Agreement) of Borrower or of any general partner or Borrower unless the terms and conditions thereof will be intrinsically fair, at not more than market rates and substantially similar or more favorable to those that would be available on an arms-length basis with persons or entities that are not affiliated with each other.

Section 3.16. CURRENT BUSINESS. Borrower shall continue to carry on and shall not change its current business subject to the terms and conditions contained in the Loan Agreement.

Section 3.17. CHANGE OF NAME, IDENTITY OR STRUCTURE. Borrower will not change Borrower's name, identity (including its trade name or names) chief executive office, principal place of business or, if not an individual, Borrower's corporate, partnership or other structure without notifying the Lender of such change in writing at least ten (10) days prior to the effective date of such change and, in the case of a change in Borrower's structure, without first obtaining the prior written consent of the Lender; provided, however, that the Green LLC and/or the 17 Battery LLC may be merged or similarly collapsed into the Partnership, or the Ground Lease may be assigned by the Green LLC to the Partnership, without the prior consent of Lender. Borrower will execute and deliver to the Lender, prior to or contemporaneously with the effective date of any such change, any financing statement or financing statement change required by the Lender to establish or maintain the validity, perfection and priority of the security interest granted herein. At the request of the Lender, Borrower shall execute a certificate in form satisfactory to the Lender listing the trade names under which Borrower intends to operate the Property, and representing and warranting that Borrower does business under no other trade name with respect to the Property.

Section 3.18. EXISTENCE. Borrower will continuously maintain its existence, good standing and its rights to do business in its state of organization, the state where the Property is located and all other jurisdictions in which it is required, together with its franchises and trade names.

ARTICLE 4 - SPECIAL COVENANTS

Borrower covenants and agrees that:

Section 4.1. PROPERTY USE. The Property shall be used only for office and retail space and related uses, and for no other use without the prior written consent of Lender, which consent may be withheld in Lender's sole and absolute discretion.

Section 4.2. INTENTIONALLY OMITTED.

Section 4.3. RESTORATION. Subject to the provisions of the Ground Lease and the 17 Battery Place Tenancy Agreement (as defined in the Loan Agreement) as applicable, the following provisions shall apply in connection with the Restoration of the Property:

(a) If the Net Proceeds shall be less than $250,000 and the costs of completing the Restoration shall be less than $250,000, the Net Proceeds will be disbursed by Lender to Borrower upon receipt, provided that all of the conditions set forth in Subsection 4.3(b)(i) are met and Borrower delivers to Lender (i) a written undertaking to expeditiously commence and to satisfactorily complete with due diligence the Restoration in accordance with the terms of this Security Instrument and (ii) a monthly accounting of all payments, costs and expenditures made by Borrower in connection with the Restoration.

(b) If the Net Proceeds are equal to or greater than $250,000 or the costs of completing the Restoration is equal to or greater than $250,000 Lender shall make the Net Proceeds available for the Restoration in accordance with the provisions of this Subsection 4.3(b). The term "Net Proceeds" for purposes of this Section 4.3 shall mean: (i) the net amount of all insurance proceeds received by Lender pursuant to Subsection 5.03(b)(i), (iv), (vi) and (vii) of the Loan Agreement as a result of such damage or destruction, after deduction of its reasonable costs and expenses (including, but not limited to, reasonable counsel fees), if any, in collecting same ("Insurance Proceeds"), or (ii) the net amount of all awards and payments received by Lender with respect to a taking referenced in Section 3.6 of this Security Instrument, after deduction of its reasonable costs and expenses (including, but not limited to, reasonable counsel fees), if any, in collecting the same ("Condemnation Proceeds"), whichever the case may be.

(i) The Net Proceeds shall be made available to Borrower for the Restoration provided that each of the following conditions are met:

(A) no Default or Event of Default shall have occurred and be continuing under the Loan Agreement, the Note, this Security Instrument or any of the Other Security Documents;

(B) (1) in the event the Net Proceeds are Insurance Proceeds, less than fifty percent (50%) of the total floor area of the Improvements has been damaged, destroyed or rendered unusable as a result of such fire or other casualty or (2) in the event the Net Proceeds are Condemnation Proceeds, less than ten percent (10%) of the land constituting the Property is taken;

(C) Leases demising in the aggregate a percentage amount equal to or greater than the Rentable Space Percentage (hereinafter defined) of the total

rentable space in the Property which has been demised under executed and delivered Leases in effect as of the date of the occurrence of such fire or other casualty or taking, whichever the case may be, shall remain in full force and effect (subject to any rent abatement or rights of termination resulting from such casualty pursuant to the terms of the Leases) during and after the completion of the Restoration. The term "Rentable Space Percentage" shall mean (1) in the event the Net Proceeds are Insurance Proceeds, a percentage amount equal to fifty percent (50%), and (2) in the event the Net Proceeds are Condemnation Proceeds, a percentage amount equal to seventy-five percent (75%);

(D) Borrower shall commence the Restoration as soon as reasonably practicable (but in no event later than thirty (30) days after such damage or destruction or taking) and shall diligently pursue the same to satisfactory completion (Restoration shall be deemed commenced upon the filing of a building permit);

(E) Lender shall be satisfied that any operating deficits, including all scheduled payments of principal and interest under the Note at the Contract Rate (as defined in the Loan Agreement) which will be incurred with respect to the Property as a result of the occurrence of any such fire or other casualty or taking, whichever the case may be, will be covered out of (1) the Net Proceeds, (2) the insurance coverage
referred to in Subsection 3.3(a)(iii), if applicable, or (3) by other funds of Borrower;

(F) Intentionally deleted.

(G) Lender shall be satisfied that the Restoration will be completed on or before the earliest to occur of (1) twelve (12) months prior to the Maturity Date (as defined in the Loan Agreement), (2) twelve (12) months after the occurrence of such fire or other casualty or taking, whichever the case may be, (3) the earliest date required for such completion under the terms of any Leases which are required in accordance with the provisions of Subsection 4.3(b)(1)(C) to remain in effect subsequent to the occurrence of such fire or other casualty or taking, whichever the case may be, or (4) such time as may be required under applicable zoning law, ordinance, rule or regulation in order to repair and restore the Property to the condition it was in immediately prior to such fire or other casualty or to as nearly as possible the condition it was in immediately prior to such taking, as applicable;

(H) the Property and the use thereof after the Restoration will be in compliance with and permitted under all applicable zoning laws, ordinances, rules and regulations;

(I) the Restoration shall be done and completed by Borrower in an expeditious and diligent fashion and in compliance with all applicable governmental laws, rules and regulations (including, without limitation, all applicable Environmental Laws, as defined in the Loan Agreement);

(J) such fire or other casualty or taking, as applicable, does not result in the permanent loss of access to the Property or the Improvements.

(ii) The Net Proceeds shall be held by Lender in a non-interest bearing account and, until disbursed in accordance with the provisions of this Subsection 4.3(b), shall constitute additional security for the Obligations. The Net Proceeds shall be disbursed by Lender to, or as directed by, Borrower from time to time during the course of the Restoration, upon receipt of evidence reasonably satisfactory to Lender that (A) all materials installed and work and labor performed (except to the extent that they are to be paid for out of the requested disbursement) in connection with the Restoration have been paid for in full, and (B) there exist no notices of pendency, stop orders, mechanic's or materialman's liens or notices of intention to file same, or any other liens or encumbrances of any nature whatsoever on the Property arising out of the Restoration which have not either been fully bonded to the reasonable satisfaction of Lender and discharged of record or in the alternative fully insured to the reasonable satisfaction of Lender by the title company insuring the lien of this Security Instrument.

(iii) All plans and specifications required in connection with the Restoration shall be subject to prior review and acceptance in all respects by Lender and by an independent consulting engineer selected by Lender (the "Restoration Consultant"), which review and acceptance shall not be unreasonably withheld. Lender shall have the use of the plans and specifications and all permits, licenses and approvals required or obtained in connection with the Restoration. The identity of the contractors, subcontractors and materialmen engaged in the Restoration, as well as the contracts under which they have been engaged, shall be subject to prior review and acceptance by Lender and the Restoration Consultant , which review and
acceptance shall not be unreasonably withheld. All costs and expenses incurred by Lender in connection with making the Net Proceeds available for the Restoration including, without limitation, reasonable counsel fees and disbursements and the Restoration Consultant's fees, shall be paid by Borrower.

(iv) In no event shall Lender be obligated to make disbursements of the Net Proceeds in excess of an amount equal to the costs actually incurred from time to time for work in place as part of the Restoration, as certified by the Restoration Consultant, minus the Retainage. The term "Retainage" as
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used in this Subsection 4.3(b) shall mean an amount equal to 10% of the costs actually incurred for work in place as part of the Restoration, as certified by the Restoration Consultant, until the Restoration has been completed. The

Retainage shall in no event, and notwithstanding anything to the contrary set forth above in this Subsection 4.3(b), be less than the amount actually held back by Borrower from contractors, subcontractors and materialmen engaged in the Restoration. The Retainage shall not be released until the Restoration Consultant certifies to Lender that the Restoration has been completed in accordance with the provisions of this Subsection 4.3(b) and that all approvals necessary for the re-occupancy and use of the Property have been obtained from all appropriate governmental and quasi-governmental authorities, and Lender receives evidence reasonably satisfactory to Lender that the costs of the Restoration have been paid in full or will be paid in full out of the Retainage, provided, however, that Lender will release the portion of the Retainage being held with respect to any contractor, subcontractor or materialman simultaneously engaged in the Restoration as of the date upon which the Restoration Consultant certifies to Lender that the contractor, subcontractor or materialman has satisfactorily completed all work and has supplied all materials in accordance with the provisions of the contractor's, subcontractor's or
materialman's contract, and the contractor, subcontractor or materialman delivers the lien waivers and evidence of payment in full of all sums due to the contractor, subcontractor or materialman as may be reasonably requested by Lender or by the title company insuring the lien of this Security Instrument. If required by Lender, the release of any such portion of the Retainage shall be approved by the surety company, if any, which has issued a payment or performance bond with respect to the contractor, subcontractor or materialman.

(v) Lender shall not be obligated to make disbursements of the Net Proceeds more frequently than once every calendar month.

(vi) If at any time the Net Proceeds or the undisbursed balance thereof shall not, in the reasonable opinion of Lender, be sufficient to pay in full the balance of the costs which are reasonably estimated by the Restoration Consultant to be incurred in connection with the completion of the Restoration, Borrower shall deposit the deficiency (the "Net Proceeds Deficiency") with Lender before any further disbursement of the Net Proceeds shall be made. The Net Proceeds Deficiency deposited with Lender shall be held by Lender and shall be disbursed for costs actually incurred in connection with the Restoration on the same conditions applicable to the disbursement of the Net Proceeds, and until so disbursed pursuant to this Subsection 4.3(b) shall constitute additional security for the Obligations.

(vii) The excess, if any, of the Net Proceeds and the remaining balance, if any, of the Net Proceeds Deficiency deposited with Lender after the Restoration Consultant certifies to Lender that the Restoration has been completed in accordance with the provisions of this Subsection 4.3(b), and the receipt by Lender of evidence reasonably satisfactory to Lender that all costs incurred in connection with the Restoration have been paid in full, shall be remitted by Lender to
Borrower, provided no Default or Event of Default shall have occurred and shall be continuing under the Loan Agreement, the Note, this Security Instrument or any of the Other Security Documents.

(viii) All Net Proceeds not required (i) to be made available for the Restoration or (ii) to be returned to Borrower as excess Net Proceeds pursuant to Subsection 4.3(b)(vii) may be retained and applied by Lender toward the payment of the Debt whether or not then due and payable in such order, priority and proportions as Lender in its discretion shall deem proper or, at the discretion of Lender, the same may be paid, either in whole or in part, to Borrower for such purposes as Lender shall designate, in its discretion. If Lender shall receive and retain Net Proceeds, Lender shall apply such sums in the reduction of the Debt and the lien of this Security Instrument shall be reduced only by the amount thereof.

Section 4.4. LOCK-BOX ACCOUNT. Upon the occurrence of and during the continuance of an Event of Default, Lender shall have the right, upon written notice to Borrower to require that, from and after the next succeeding date of payment of an installment of principal and interest under the Note, all Rents with respect to the Property, at Lender's discretion, be paid directly to the Manager or New Manager, as applicable and deposited daily by the Manager or New Manager, as applicable in the name designated by Lender directly to a designated lock-box account (the "Lock-Box Account"), opened by Lender at a bank (the "Lock-Box Bank"), which account shall be within the exclusive control of Lender. Notwithstanding the foregoing, Lender shall have the right to require that each tenant under the Leases make all payments under its respective Lease, (y) if by wire transfer, to the Lock-Box Account and (z) if by check, money order or similar manner of payment, by mail to a designated lock-box (the "Lock-Box") within the exclusive control of Lender. All amounts deposited into the Lock-Box shall be collected and deposited daily by the Manager or New Manager, as applicable (or, if required by Lender, by the Lock-Box Bank) into the Lock-Box Account. Amounts on deposit in the Lock-Box Account or held in the Lock-Box shall be applied by Lender to, among other things, the payment of the Debt and operating expenses and Taxes of the Property, in such order and priority as Lender shall determine in its sole discretion.

ARTICLE 5 - REPRESENTATIONS AND WARRANTIES

Borrower represents and warrants to Lender that:

Section 5.1. WARRANTY OF TITLE. Borrower has good title to the Property and has the right to mortgage, grant, bargain, sell, pledge, assign, warrant,
transfer and convey the same and that Borrower possesses, other than the

Permitted Exceptions, (a) an unencumbered fee simple absolute estate in the Land and the Improvements, (b) an unencumbered leasehold estate in the Leased Land created by and pursuant to the provisions of the Ground Lease and (c) an unencumbered tenancy-in-common interest in 17 Battery Place (as defined in the Loan Agreement), and that it owns the Property free and clear of all liens, encumbrances and charges whatsoever except for those exceptions shown in the title insurance policy insuring the lien of this Security Instrument (the "Permitted Exceptions"). Borrower further represents and warrants that (a) the Ground Lease is in full force and effect and has not been modified or amended in any manner whatsoever, (b) to the best of its knowledge, there are no defaults under the Ground Lease and no event has occurred which but for the passage of time, or notice, or both would constitute a default under the Ground Lease, (c) all rents, additional rents and other sums due and payable under the Ground Lease have been paid in full, and (d) neither Borrower nor the landlord under the Ground Lease has commenced any action or given or received any notice for the purpose of terminating the Ground Lease. Borrower shall forever warrant, defend and preserve the title and the validity and priority of the lien of this Security Instrument and shall forever warrant and defend the same to Lender against the claims of all persons whomsoever.

Section 5.2. INTENTIONALLY DELETED.

Section 5.3. INTENTIONALLY DELETED.

Section 5.4. VALIDITY OF DOCUMENTS. (a) The execution, delivery and performance of the Note, the Loan Agreement, this Security Instrument and Other Security Documents and the borrowing evidenced by the Note (i) are within the authority and power of Borrower; (ii) have been authorized by all requisite limited liability company/corporate/partnership action; (iii) have received all necessary licenses, approvals and consents, corporate, governmental or otherwise; (iv) will not violate, conflict with, result in a breach of or constitute (with notice or lapse of time, or both) a default under any provision of law, rule, regulation, writ, any order or judgment of any court or governmental authority, the articles of incorporation, by-laws, partnership or trust agreement, or other governing instrument of Borrower or its subsidiaries, or any indenture, agreement or other instrument to which Borrower is a party or by which it or any of its assets or the Property is or may be bound or affected; (v) will not result in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of its assets, except the lien and security interest created hereby; and (vi) will not require any authorization or license from any governmental or other body except as may have already been obtained, or any filing with, any governmental or other body (except for the recordation of this instrument in appropriate land records in the State where the Property is located and except for Uniform Commercial Code filings relating to the security interest created hereby); and (b) the Loan Agreement, the Note, this Security Instrument and the Other Security Documents constitute the legal, valid and binding obligations of Borrower and are enforceable against Borrower in accordance with their terms, except as may be limited by bankruptcy, insolvency, reorganization or similar laws affecting the rights of creditors generally and to the application of general principles of equity (regardless of whether considered in a proceeding in equity or at law), including, without limitation, (i) the possible unavailability of specific performance, injunctive relief or any other equitable remedy and (ii) concepts of materiality, reasonableness, good faith and fair dealing.

Section 5.5. INTENTIONALLY DELETED.

Section 5.6. INTENTIONALLY DELETED.

Section 5.7. NO FOREIGN PERSON. Borrower is not a "foreign person" within the meaning of Sections 1445(f)(3) of the Internal Revenue Code of 1986, as amended and the related Treasury Department regulations, including temporary regulations.

Section 5.8. SEPARATE TAX LOT. The Property is assessed for real purposes as one or more wholly independent tax lot or lots, separate from any adjoining land or improvements not constituting a part of such lot or lots, and no other land or improvements is assessed and taxed together with the Property or any portion thereof.

Section 5.9. INTENTIONALLY OMITTED.

Section 6.0. LEASES. (a) Borrower is the sole owner of the entire lessor's interest in the Leases; (b) to the best knowledge of Borrower, the Leases are valid and enforceable; (c) the terms of all alterations, modifications and amendments to the Leases are reflected in the certified occupancy statement delivered to and approved by Lender; (d) none of the Rents reserved in the Leases have been assigned or otherwise pledged or hypothecated by Borrower other than to Lender; (e) none of the Rents have been collected for more than one (1) month in advance; (f) the premises demised under the Leases have been completed and the tenants under the Leases have accepted the same and have taken possession of the same on a rent-paying basis; (g) to the best knowledge of Borrower, there exist no offsets or defenses to the payment of any portion of the Rents; (h) no Lease contains an

option to purchase, right of first refusal to purchase, or any other similar provision; (i) no person or entity has any possessory interest in, or right to occupy, the Property except under and pursuant to a Lease; (j) each Lease is subordinate to this Security Instrument and the tenant under each Lease agrees to attorn to Lender either pursuant to its terms or a recorded subordination and attornment agreement; (k) there are no prior assignments, pledges, hypothecations or other encumbrances by Borrower of any Leases or any portion of Rents due and payable or to become due and payable thereunder which are presently outstanding and have priority to the assignment of rents executed in connection with this Security Instrument; and (l) the Property is not subject to any Lease other than the Leases described in the rent rolls delivered pursuant to the Loan Agreement.

Section 5.9. INTENTIONALLY DELETED.

Section 5.10. BUSINESS PURPOSES. The loan evidenced by the Note is solely for the business purpose of Borrower, and is not for personal, family, household, or agricultural purposes.

Section 5.11. INTENTIONALLY DELETED.

Section 5.12. MAILING ADDRESS. Borrower's mailing address, as set forth in the opening paragraph hereof or as changed in accordance with the provisions hereof, is true and correct.

Section 5.13. INTENTIONALLY DELETED.

Section 5.14. INTENTIONALLY DELETED.

Section 5.15. ILLEGAL ACTIVITY. No portion of the Property has been or will be purchased with proceeds of any illegal activity.

Section 5.16. CONTRACTS. All contracts, agreements, consents, waivers, documents and writings of every kind or character at any time to which the Borrower is a party to be delivered to Lender pursuant to any of the provisions of this Security Instrument are valid and enforceable against the Borrower and, to the best knowledge of Borrower, are enforceable against all other parties thereto, and in all respects are what they purport to be and, to the best knowledge of Borrower, to the extent that any such writing shall impose any obligation or duty on the party thereto or constitute a waiver of any rights which any such party might otherwise have, said writing shall be valid and enforceable against said party in accordance with the terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization or similar laws affecting the rights of creditors generally.

Section 5.18. SURVIVAL. The foregoing representations and warranties shall survive the execution and delivery of this Security Instrument and shall continue in full force and effect until the Debt has been fully paid and satisfied and Lender has no further commitment to advance funds hereunder. The request for any Advance (as defined in the Loan Agreement) under the Loan Agreement by Borrower or on its behalf shall constitute a certification that the aforesaid representation and warranties are true and correct as of the date of such request, except to the extent any such representation or warranty shall relate to an earlier date.

ARTICLE 6 - OBLIGATIONS AND RELIANCES

Section 6.1. RELATIONSHIP OF BORROWER AND LENDER. The relationship between Borrower and Lender is solely that of debtor and creditor, and Lender has no fiduciary or other special relationship with Borrower, and no term or condition of any of the Note, this Security Instrument and the Other Security Documents shall be construed so as to deem the relationship between Borrower and Lender to be other than that of debtor and creditor.

Section 6.2. NO RELIANCE ON LENDER. The officers of the REIT, are experienced in the ownership and operation of properties similar to the Property, and Borrower and Lender are relying upon such expertise and business plan in connection with the ownership and operation of the Property. Borrower is not relying on Lender's expertise, business acumen or advice in connection with the Property.

Section 6.3. NO LENDER OBLIGATIONS. (a) Notwithstanding the provisions of Subsections 1.1(f) and (l) or Section 1.2, Lender is not undertaking the performance of (i) any obligations under the Leases; or (ii) any obligations with respect to such agreements, contracts, certificates, instruments, franchises, permits, trademarks, licenses and other documents.

(b) By accepting or approving anything required to be observed, performed or fulfilled or to be given to Lender pursuant to this Security Instrument, the Loan Agreement, the Note or the Other Security Documents, including without limitation, any officer's certificate, balance sheet, statement of profit and loss or other financial statement, survey, appraisal,

or insurance policy, Lender shall not be deemed to have warranted, consented to, or affirmed the sufficiency, the legality or effectiveness of same, and such acceptance or approval thereof shall not constitute any warranty or affirmation with respect thereto by Lender.

Section 6.4. RELIANCE. Borrower recognizes and acknowledges that in accepting the Loan Agreement, the Note, this Security Instrument and the Other Security Documents, Lender is expressly and primarily relying on the truth and accuracy of the warranties and representations set forth in Article 5 without any obligation to investigate the Property and notwithstanding any investigation of the Property by Lender; that such reliance existed on the part of Lender prior to the date hereof; that the warranties and representations are a material inducement to Lender in accepting the Loan Agreement, the Note, this Security Instrument and the Other Security Documents; and that Lender would not be willing to make the loan evidenced by the Loan Agreement, the Note, this Security Instrument and the Other Security Documents and accept this Security Instrument in the absence of the warranties and representations as set forth in Article 5.

ARTICLE 7 - FURTHER ASSURANCES

Section 7.1. RECORDING OF SECURITY INSTRUMENT, ETC. Borrower forthwith upon the execution and delivery of this Security Instrument and thereafter, from time to time, will cause this Security Instrument and any of the Other Security Documents creating a lien or security interest or evidencing the lien hereof upon the Property and each instrument of further assurance to be filed, registered or recorded in such manner and in such places as may be required by any present or future law in order to publish notice of and fully to protect and perfect the lien or security interest hereof upon, and the interest of Lender in, the Property. Borrower will pay all taxes, filing, registration or recording fees, and all expenses incident to the preparation, execution, acknowledgment and/or recording of the Note, this Security Instrument, the Other Security Documents, any note or mortgage supplemental hereto, any security instrument with respect to the Property and any instrument of further assurance, and any modification or amendment of the foregoing documents, and all federal, state, county and municipal taxes, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of this Security Instrument, any mortgage supplemental hereto, any security instrument with respect to the Property or any instrument of further assurance, and any modification or amendment of the foregoing documents, except for any income taxes imposed on Lender or where prohibited by law so to do.

Section 7.2. FURTHER ACTS, ETC. Borrower will, at the cost of Borrower, and without expense to Lender, do, execute, acknowledge and deliver all and every such further acts, deeds, conveyances, mortgages, assignments, notices of assignments, transfers and assurances as Lender shall, from time to time, reasonably require, for the better assuring, conveying, assigning, transferring, and confirming unto Lender the property and rights hereby mortgaged, granted, bargained, sold, conveyed, confirmed, pledged, assigned, warranted and transferred or intended now or hereafter so to be, or which Borrower may be or may hereafter become bound to convey or assign to Lender, or for carrying out the intention or facilitating the performance of the terms of this Security Instrument or for filing, registering or recording this Security Instrument, or for complying with all Applicable Laws if Borrower fails to cure promptly any violations of Applicable Laws, except that Borrower's obligations and liabilities shall not be increased in a manner inconsistent with its obligations and liabilities under this Security Instrument. Borrower, on demand, will execute and deliver and hereby authorizes Lender to execute in the name of Borrower or without the signature of Borrower to the extent Lender may lawfully do so, one or more financing statements, chattel mortgages or other instruments, to evidence more effectively the security interest of Lender in the Property. Borrower grants to Lender an irrevocable power of attorney coupled with an interest for the purpose of exercising and perfecting any and all rights and remedies available to Lender at law and in equity, including without limitation such rights and remedies available to Lender pursuant to this Section 7.2.

Section 7.3. CHANGES IN TAX, DEBT, CREDIT AND DOCUMENTARY STAMP LAWS.

(a) If any law is enacted or adopted or amended after the date of this Security Instrument which deducts the Debt from the value of the Property for the purpose of taxation or which imposes a tax, either directly or indirectly, on the Debt or Lender's interest in the Property, Borrower will pay the tax, with interest and penalties thereon, if any. If Lender is advised by counsel chosen by it that the payment of tax by Borrower would be unlawful or taxable to Lender or unenforceable or provide the basis for a defense of usury, then Lender shall have the option by written notice of not less than ninety (90) days to declare the Debt immediately due and payable.

(b) Borrower will not claim or demand or be entitled to any credit or credits on account of the Debt for any part of the Taxes or Other Charges assessed against the Property, or any part thereof, and no deduction shall otherwise be made or claimed from the assessed value of the Property, or any part thereof, for real estate tax purposes by reason of this Security Instrument or the Debt. If such claim, credit or deduction shall be required by law, Lender shall have the option, by written notice of not less than ninety (90) days, to declare the Debt immediately due and payable.

(c) If at any time the United States of America, any State thereof or any subdivision of any such State shall require revenue or other stamps to be affixed to the Note, this Security Instrument, or any of the Other Security Documents or impose any other tax or charge on the same, Borrower will pay for the same, with interest and penalties thereon, if any.

Section 7.4. ESTOPPEL CERTIFICATES. (a) Borrower shall deliver to Lender, promptly upon request, duly executed estoppel certificates from any one or more lessees as required by Lender in the form attached to the Loan Agreement to the extent lessees are required to do so under their respective Leases.

(b) Upon any transfer or proposed transfer contemplated by Section 19.1 hereof, at Lender's request, Borrower shall provide an estoppel certificate to any Co-Lender or Participant (as each term is defined in the Loan Agreement) or any prospective Co-Lender or Participant in such form, substance and detail as Lender, such Co-Lender or Participant or prospective Co-Lender or Participant may reasonably require.

(c) The delivery by Borrower and Lender of estoppel certificates and similar statements shall otherwise be governed by the Loan Agreement.

Section 7.5. FLOOD INSURANCE. After Lender's request, Borrower shall deliver evidence satisfactory to Lender that no portion of the Improvements is situated in a federally designated "special flood hazard area" or, if located with such area, Borrower shall maintain the insurance prescribed in Section 5.03 of the Loan Agreement.

Section 7.6. SPLITTING OF SECURITY INSTRUMENT. This Security Instrument and the Note shall, at any time until the same shall be fully paid and satisfied, at the sole election of Lender, be split or divided into two or more notes and two or more security instruments, each of which shall cover all or a portion of the Property to be more particularly described therein. To that end, Borrower, upon written request of Lender, shall execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered by the then owner of the Property, to Lender and/or its designee or designees substitute notes and security instruments in such principal amounts, aggregating not more than the then unpaid principal amount of this Security Instrument, and containing terms, provisions and clauses identical in all material respects to those contained herein and in the Note, and such other documents and instruments as may be required by Lender.

Section 7.7. REPLACEMENT DOCUMENTS. Upon receipt of an affidavit of an officer of Lender as to the loss, theft, destruction or mutilation of the Note or any Other Security Document which is not of public record, and, in the case of any such mutilation, upon surrender and cancellation of such Note or Other Security Document, Borrower will issue, in lieu thereof, a replacement Note or Other Security Document, dated the date of such lost, stolen, destroyed or mutilated Note or Other Security Document in the same principal amount thereof and otherwise of like tenor.

ARTICLE 8 - DUE ON SALE/ENCUMBRANCE

Section 8.1. LENDER RELIANCE. Borrower acknowledges that Lender has examined and relied on the experience of Borrower and its general partner and member in owning and operating properties such as the Property in agreeing to make the loan secured hereby, and will continue to rely on Borrower's ownership of the Property as a means of maintaining the value of the Property as security for repayment of the Debt and the performance of the Other Obligations. Borrower acknowledges that Lender has a valid interest in maintaining the value of the Property so as to ensure that, should Borrower default in the repayment of the Debt or the performance of the Other Obligations, Lender can recover the Debt by a sale of the Property.

Section 8.2. NO SALE/ENCUMBRANCE. Except as permitted herein and under the terms and conditions contained in the Loan Agreement, Borrower agrees that Borrower shall not, without the prior written consent of Lender, sell, convey, mortgage, grant, bargain, encumber, pledge, assign, or otherwise transfer the Property or any part thereof or permit the Property or any part thereof to be sold, conveyed, mortgaged, granted, bargained, encumbered, pledged, assigned, or otherwise transferred.

Section 8.3. SALE/ENCUMBRANCE DEFINED. A sale, conveyance, mortgage, grant, bargain, encumbrance, pledge, assignment, or transfer within the meaning of this Article 8 shall be deemed to include, but not limited to, (a) an installment sales agreement wherein Borrower agrees to sell the Property or any part thereof for a price to be paid in installments; (b) an agreement by Borrower leasing all or a substantial part of the Property for other than actual occupancy by a space tenant thereunder or a sale, assignment or other transfer of, or the grant of a security interest in, Borrower's right, title and interest in and to any Leases or any Rents; (c) if Borrower or any general partner or limited partner of Borrower is a corporation, the voluntary or involuntary sale, conveyance, transfer or pledge of such corporation's stock or the stock of any corporation directly or indirectly

controlling such corporation by operation of law or otherwise (other than transfers of shares in the REIT), or the creation or issuance of new stock by which an aggregate of more than 10% of such corporation's stock shall be vested in a party or parties who are not now stockholders (other than the issuance of shares in the REIT); (d) if Borrower or any general partner or limited partner of Borrower is a limited or general partnership or joint venture, the change, removal or resignation of a general partner, managing partner or limited partner, or the transfer or pledge of the partnership interest of any general partner, managing partner or limited partner or any profits or proceeds relating to such partnership interest whether in one transfer or a series of transfers and (e) if Borrower, or any general or limited partner or member of Borrower is a limited liability company, the change, removal or resignation of any member or the transfer or pledge of the membership interest of any member or any profits or proceeds relating to such membership interest whether in one or a series of transactions or the voluntary or involuntary sale, conveyance, transfer or pledge of any membership interests (or the membership interests of any limited liability company directly or indirectly controlling such limited liability company by operation of law or otherwise). Notwithstanding the foregoing, (i) transfer by devise or descent or by operation of law upon the death of a partner or stockholder of Borrower or any general partner thereof or (ii) any transfer permitted under the Loan Agreement shall not be deemed to be a sale, conveyance, mortgage, grant, bargain, encumbrance, pledge, assignment, or transfer within the meaning of this Article 8.

Section 8.4. LENDER'S RIGHTS. Lender reserves the right to condition the consent required hereunder upon a modification of the terms hereof and on assumption of the Note, the Loan Agreement, this Security Instrument and the Other Security Documents as so modified by the proposed transferee, payment of all of Lender's expenses incurred in connection with such transfer, or such other conditions as Lender shall determine in its sole discretion to be in the interest of Lender. Lender shall not be required to demonstrate any actual impairment of its security or any increased risk of default hereunder in order to declare the Debt immediately due and payable upon Borrower's sale, conveyance, mortgage, grant, bargain, encumbrance, pledge, assignment, or transfer of the Property without Lender's consent. This provision shall apply to every sale, conveyance, mortgage, grant, bargain, encumbrance, pledge, assignment, or transfer of the Property regardless of whether voluntary or not, or whether or not Lender has consented to any previous sale, conveyance, mortgage, grant, bargain, encumbrance, pledge, assignment, or transfer of the Property.

ARTICLE 9 - PREPAYMENT

Section 9.1. PREPAYMENT. The Debt may be prepaid only in strict accordance with the express terms and conditions of the Note and the Loan Agreement including, but not limited to, the payment of any Funding Costs.

ARTICLE 10 - DEFAULT

Section 10.1. EVENTS OF DEFAULT. The occurrence of any one or more of the following events shall constitute an "Event of Default":

(a) the occurrence of an "Event of Default", as such term is defined in the Loan Agreement.

(b) if any of the Taxes or Other Charges is not paid when the same is due and payable except to the extent sums sufficient to pay such Taxes and Other Charges have been deposited with Lender in accordance with the terms of this Security Instrument;

(c) if the Policies are not kept in full force and effect, or if the Policies are not delivered to Lender upon request or Borrower has not delivered evidence of the renewal of the Policies thirty (30) days prior to their expiration as provided in the Loan Agreement;

(d) if Borrower violates or does not comply with any of the provisions of Sections 3.7, 4.3 and Articles 8 and 13;

(e) intentionally deleted;

(f) intentionally deleted;

(g) if Borrower shall be in default beyond the expiration of any applicable notice and/or cure period under any other mortgage, deed of trust, deed to secure debt or other security agreement covering any part of the Property whether it be superior or junior in lien to this Security Instrument;

(h) if the Property becomes subject to any mechanic's, materialman's or other lien other than a lien for local real estate taxes and assessments not then due and payable and the lien shall remain undischarged of record (by payment, bonding or otherwise) for a period of forty-five (45) days;

(i) if any federal tax lien is filed against Borrower, any general partner or member of Borrower or the Property and same is not discharged of record within forty-five (45) days after same is filed;

(j) intentionally deleted;

(k) if any default occurs under that certain environmental indemnity agreement dated the date hereof given by Borrower and the REIT to Lender (the "Environmental Indemnity") and such default continues after the expiration of applicable notice and grace periods, if any;

(l) if any default occurs under any guaranty or indemnity executed in connection herewith and such default continues after the expiration of applicable grace periods, if any;

(m) intentionally deleted;

(n) if Borrower defaults under the Management Agreement beyond the expiration of applicable notice and grace periods, if any, thereunder or if cancelled, terminated or surrendered, unless in such case (a) Borrower shall enter into a new management agreement on market terms and conditions no less favorable than the Management Agreement and with a management company satisfactory to Lender, (b) Borrower self-manages the Property or (c) such cancellation, termination or surrender is directed by Lender pursuant to the terms of that certain Assignment of Management Agreement and Subordination of Management Fees (the "Subordination of Management Agreement") dated the date hereof between Borrower, Manager (as defined in the Subordination of Management Agreement) and Lender for a reason other than an Event of Default thereunder;

(o) if Borrower shall fail, after the applicable notice and grace period contained in the Ground Lease, if any, in the payment of any rent, additional rent or other charge mentioned in or made payable by the Ground Lease when said rent or other charge is due and payable;

(p) if there shall occur any default by Borrower, as tenant, under the Ground Lease in the observance or performance of any term, covenant or condition of the Ground Lease on the part of Borrower to be observed or performed and said default is not cured following the expiration of any applicable grace and notice period therein provided or if the leasehold estate created by the Ground Lease shall be surrendered or the Ground Lease shall be terminated or cancelled for any reason or under any circumstances whatsoever, or if any of the terms, covenants or conditions of the Ground Lease shall in any manner be modified, changed, supplemented, altered, or amended without the consent of Lender;

(q) if for more than ten (10) days after notice from Lender or such shorter time as provided for in the Note, the Loan Agreement, this Security Agreement and the Other Security Documents, Borrower shall continue to be in default under any other term, covenant or condition of this Security Instrument in the case of any default which can be cured by the payment of a sum of money, or for thirty (30) days after notice from Lender or such shorter time as provided for in the Note, the Loan Agreement, this Security Agreement and the Other Security Documents in the case of any other default, provided that if such default cannot reasonably be cured within such thirty (30) day period or such shorter time as provided for in the Note, the Loan Agreement, this Security Agreement and the Other Security Documents and Borrower shall have commenced to cure such default within such thirty (30) day period or such shorter time as provided for in the Note, the Loan Agreement, this Security Agreement and the Other Security Documents and thereafter diligently and expeditiously proceeds to cure the same, such thirty (30) day period or such shorter time as provided for in the Note, the Loan Agreement, this Security Agreement and the Other Security Documents shall be extended for so long as it shall require Borrower in the exercise of due diligence to cure such default, it being agreed that no such extension shall be for a period in excess of ninety (90) days;

(r) if Borrower fails to cure promptly any violations of Applicable Laws within thirty (30) days after notice by Lender;

(s) if any condemnation proceeding is instituted which would, in Lender's reasonable judgment, materially impair the use and enjoyment of the Property for its intended purposes; or

(t) if Borrower shall fail to reimburse Lender within then (10) days after notice by Lender with interest calculated at the Default Rate (as defined in the Loan Agreement), for all Insurance Premiums or Taxes and Other Charges, together with interest and penalties imposed thereon, paid by Lender pursuant to this Security Instrument.

Section 10.2. DEFAULT INTEREST. Borrower does hereby agree that upon the occurrence of an Event of Default, Lender shall be entitled to receive and Borrower shall pay interest on the entire principal amount outstanding of the Note at a rate equal to the Default Rate. The Default Rate shall be computed (i) for all Events of Default which can be cured by the payment of a sum of money, from the date upon which such payment was due, and (ii) for all other Events of Default, from the occurrence of the Event of Default until, for all Events of Default, the earlier of the date upon which the Event of Default is cured or the date upon which the Debt is paid in full. Interest calculated at the Default Rate shall be added to the Debt, and shall be deemed secured by this Security Instrument. This clause, however, shall not be construed as an agreement or privilege to extend the date of the payment of the Debt, nor as a waiver of any other right or remedy accruing to Lender by reason of the occurrence of any Default or Event of Default.

ARTICLE 11 - RIGHTS AND REMEDIES

Section 11.1. REMEDIES. Upon the occurrence of any Event of Default,

Borrower agrees that Lender may take such action, without notice or demand, as it deems advisable to protect and enforce its rights against Borrower and in and to the Property, including, but not limited to, the following actions, each of which may be pursued concurrently
or otherwise, at such time and in such order as Lender may determine, in its sole discretion, without impairing or otherwise affecting the other rights and remedies of Lender.

(a) declare the entire unpaid Debt to be immediately due and payable;

(b) institute proceedings, judicial or otherwise, for the complete foreclosure of this Security Instrument under any applicable provision of law in which case the Property or any interest therein may be sold for cash or upon credit in one or more parcels or in several interests or portions and in any order or manner;

(c) with or without entry, to the extent permitted and pursuant to the procedures provided by applicable law, institute proceedings for the partial foreclosure of this Security Instrument for the portion of the Debt then due and payable, subject to the continuing lien and security interest of this Security Instrument for the balance of the Debt not then due, unimpaired and without loss of priority;

(d) sell for cash or upon credit the Property or any part thereof and all estate, claim, demand, right, title and interest of Borrower therein and rights of redemption thereof, pursuant to power of sale or otherwise, at one or more sales, as an entity or in parcels, at such time and place, upon such terms and after such notice thereof as may be required or permitted by law;

(e) institute an action, suit or proceeding in equity for the specific performance of any covenant, condition or agreement contained herein, in the Note, the Loan Agreement or in the Other Security Documents;

(f) recover judgment on the Note either before, during or after any proceedings for the enforcement of this Security Instrument, the Loan Agreement or the Other Security Documents;

(g) apply for the appointment of a receiver, trustee, liquidator or conservator of the Property, without notice and without regard for the adequacy of the security for the Debt and without regard for the solvency of Borrower, the REIT, or of any person, firm or other entity liable for the payment of the Debt;

(h) subject to any applicable law, the license granted to Borrower under Section 1.2 shall automatically be revoked and Lender may enter into or upon the Property, either personally or by its agents, nominees or attorneys and dispossess Borrower and its agents and servants therefrom, without liability for trespass, damages or otherwise and exclude Borrower and its agents or servants wholly therefrom, and take possession of all books, records and accounts relating thereto and Borrower agrees to surrender possession of the Property and of such books, records and accounts to Lender upon demand, and thereupon Lender may (i) use, operate, manage, control, insure, maintain, repair, restore and otherwise deal with all and every part of the Property and conduct the business thereat; (ii) complete any construction on the Property in such manner and form as Lender deems advisable; (iii) make alterations, additions, renewals, replacements and improvements to or on the Property; (iv) exercise all rights and powers of Borrower with respect to the Property, whether in the name of Borrower or otherwise, including, without limitation, the right to make, cancel, enforce or modify Leases, obtain and evict tenants, and demand, sue for, collect and receive all Rents of the Property and every part thereof; (v) require Borrower to pay monthly in advance to Lender, or any receiver appointed to collect the Rents, the fair and reasonable rental value for the use and occupation of such part of the Property as may be occupied by Borrower; (vi) require Borrower to vacate and surrender possession of the Property to Lender or to such receiver and, in default thereof, Borrower may be evicted by summary proceedings or otherwise; and (vii) apply the receipts from the Property to the payment of the Debt, in such order, priority and proportions as Lender shall deem appropriate in its sole discretion after deducting therefrom all expenses (including reasonable attorneys' fees) incurred in connection with the aforesaid operations and all amounts necessary to pay the Taxes, Other Charges, insurance and other expenses in connection with the Property, as well as just and reasonable compensation for the services of Lender, its counsel, agents and employees;

(i) exercise any and all rights and remedies granted to a secured party upon default under the Uniform Commercial Code, including, without limiting the generality of the foregoing: (i) the right to take possession of the Personal Property or any part thereof, and to take such other measures as Lender may deem necessary for the care, protection and preservation of the Personal Property, and (ii) request Borrower at its expense to assemble the Personal Property and make it available to Lender at a convenient place acceptable to Lender. Any notice of sale, disposition or other intended action by Lender with respect to the Personal Property sent to Borrower in accordance with the provisions hereof at least five (5) days prior to such action, shall constitute commercially reasonable notice to Borrower;

(j) apply any sums then deposited in the Escrow Fund, if any, and any other sums held in escrow or otherwise by Lender in accordance with the terms of this Security Instrument or any Other Security Document to the payment of the following items in any order in its uncontrolled discretion:

(i) Taxes and Other Charges;

(ii) Insurance Premiums;

(iii) Operating Expenses (as defined in the Loan Agreement);

(iv) Interest on the unpaid principal balance of the Note;

(v) Amortization of the unpaid principal balance of the Note;

(vi) All other sums payable pursuant to the Note, the Loan Agreement, this Security Instrument and the Other Security Documents, including without limitation advances made by Lender pursuant to the terms of this Security Instrument;

(k) surrender the Policies maintained pursuant to Article 3 hereof, collect the unearned Insurance Premiums and apply such sums as a credit on the Debt in such priority and proportion as Lender in its discretion shall deem proper, and in connection therewith, Borrower hereby appoints Lender as agent and attorney-in-fact (which is coupled with an interest and is therefore irrevocable) for Borrower to collect such Insurance Premiums;

(l) pursue such other remedies as Lender may have under applicable law;

(m) apply the undisbursed balance of any Net Proceeds Deficiency deposit, together with interest thereon, to the payment of the Debt in such order, priority and proportions as Lender shall deem to be appropriate in its discretion; and/or

(n) require a Lock-Box Account pursuant to Section 4.4 and apply all sums in the Lock-Box Account to the payment of the Debt, in such order, priority and proportions as Lender shall deem appropriate in its discretion.

In the event of a sale, by foreclosure, power of sale, or otherwise, of less than all of the Property, this Security Instrument shall continue as a lien and security interest on the remaining portion of the Property unimpaired and without loss of priority. Notwithstanding the provisions of this Section 11.1 to the contrary, if any Event of Default as described in clause (i) or (ii) of Subsection 10.1(f) shall occur, the entire unpaid Debt shall be automatically due and payable, without any further notice, demand or other action by Lender.

Section 11.2. APPLICATION OF PROCEEDS. The purchase money, proceeds and avails of any disposition of the Property, or any part thereof, or any other sums collected by Lender pursuant to the Note, the Loan Agreement, this Security Instrument or the Other Security Documents, may be applied by Lender to the payment of the Debt in such priority and proportions as Lender in its discretion shall deem proper; provided, however, that if no Event of Default has occurred and is continuing, Lender's application of such sums shall be governed by the Loan Agreement.

Section 11.3. RIGHT TO CURE DEFAULTS. Upon the occurrence of any Default or Event of Default, Lender may, but without any obligation to do so and without notice to or demand on Borrower and without releasing Borrower from any obligation hereunder, make or do the same in such manner and to such extent as Lender may deem necessary to protect the security hereof. Lender is authorized to enter upon the Property for such purposes, or appear in, defend, or bring any action or proceeding to protect its interest in the Property and the cost and expense thereof (including reasonable attorneys' fees to the extent permitted by law), with interest as provided in this Section 11.3, shall constitute a portion of the Debt and shall be due and payable to Lender upon demand. All such costs and expenses incurred by Lender in remedying such Default or Event of Default or in appearing in, defending, or bringing any such action or proceeding shall bear interest at the Default Rate, for the period after notice from Lender that such cost or expense was incurred to the date of payment to Lender. All such costs and expenses incurred by Lender together with interest thereon calculated at the Default Rate shall be deemed to constitute a portion of the Debt and be secured by this Security Instrument and the Other Security Documents and shall be promptly due and payable after demand by Lender therefor.

Section 11.4. ACTIONS AND PROCEEDINGS. Lender has the right to appear in and defend any action or proceeding brought with respect to the Property and to bring any action or proceeding, in the name and on behalf of Borrower, which Lender, in its discretion, decides should be brought to protect its interest in the Property.

Section 11.5. RECOVERY OF SUMS REQUIRED TO BE PAID. Lender shall have the right from time to time to take action to recover any sum or sums which constitute a part of the Debt as the same become due, without regard to whether or not the balance of the Debt shall be due, and without prejudice to the right of Lender thereafter to bring an action of foreclosure, or any other action, for a default or defaults by Borrower existing at the time such earlier action was commenced.

Section 11.6. EXAMINATION OF BOOKS AND RECORDS. Lender, each Co-Lender, and their agents, accountants and attorneys shall have the right, upon providing

Borrower with prior written notice, to examine and inspect at any reasonable time the records, books, management and other papers of Borrower and the REIT which reflect upon their financial condition (including, without limitation, leases, statements bills and invoices), at the Property or at the principal place of business of Borrower, the REIT, their Affiliates or where the books and records are located. Lender and its agents shall have the right to make copies and extracts
from the foregoing records and other papers. In addition, Lender, its agents, accountants and attorneys shall have the right to examine, copy and audit the books and records of Borrower, the REIT and their affiliates pertaining to the income, expenses and operation of the Property during reasonable business hours at any office of Borrower, the REIT, their Affiliates or where the books and records are located. This Section 11.6 shall apply throughout the term of the Note and without regard to whether a Default or Event of Default has occurred or is continuing.

Section 11.7. OTHER RIGHTS, ETC. (a) The failure of Lender to
insist upon strict performance of any term hereof shall not be deemed to be a waiver of
any term of this Security Instrument. Borrower shall not be relieved of Borrower's obligations hereunder by reason of (i) the failure of Lender to comply with any request of Borrower to take any action to foreclose this Security Instrument or otherwise enforce any of the provisions hereof or of the Note, the Loan Agreement or the Other Security Documents, (ii) the release, regardless of consideration, of the whole or any part of the Property, or of any person liable for the Debt or any portion thereof, or (iii) any agreement or stipulation by Lender extending the time of payment or otherwise modifying or supplementing the terms of the Note, the Loan Agreement, this Security Instrument or the Other Security Documents.

(b) It is agreed that the risk of loss or damage to the Property is on Borrower, and Lender shall have no liability whatsoever for decline in value of the Property, for failure to maintain the Policies, or for failure to determine whether insurance in force is adequate as to the amount of risks insured. Possession by Lender shall not be deemed an election of judicial relief, if any such possession is requested or obtained, with respect to any Property or collateral not in Lender's possession.

(c) Lender may resort for the payment of the Debt to any other security held by Lender in such order and manner as Lender, in its discretion, may elect. Lender may take action to recover the Debt, or any portion thereof, or to enforce any covenant hereof without prejudice to the right of Lender thereafter to foreclose this Security Instrument. The rights of Lender under this Security Instrument shall be separate, distinct and cumulative and none shall be given effect to the exclusion of the others. No act of Lender shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision. Lender shall not be limited exclusively to the rights and remedies herein stated but shall be entitled to every right and remedy now or hereafter afforded at law or in equity.

Section 11.8. RIGHT TO RELEASE ANY PORTION OF THE PROPERTY. Lender may
release any portion of the Property for such consideration as Lender may require
without, as to the remainder of the Property, in any way impairing or affecting the lien or priority of this Security Instrument, or improving the position of any subordinate lienholder with respect thereto, except to the extent that the obligations hereunder shall have been reduced by the actual monetary consideration, if any, received by Lender for such release, and may accept by assignment, pledge or otherwise any other property in place thereof as Lender may require without being accountable for so doing to any other lienholder. This Security Instrument shall continue as a lien and security interest in the remaining portion of the Property.

Section 11.9. VIOLATION OF LAWS. If the Property is not in compliance
with Applicable Laws, Lender may impose additional requirements upon Borrower in connection herewith including, without limitation, monetary reserves or financial equivalents.

Section 11.10. RECOURSE AND CHOICE OF REMEDIES. Subject to the recourse
obligations and liabilities of Borrower and the REIT contained in Section 9.08 of the Loan Agreement and notwithstanding any other provision of this Security Instrument, Lender and other Indemnified Parties (defined in Section 13.1 below) are entitled to enforce the obligations of Borrower contained in Section 13.2 without first resorting to or exhausting any security or collateral and without first having recourse to the Note or any of the Property, through foreclosure or acceptance of a deed in lieu of foreclosure or otherwise, and in the event Lender commences a foreclosure action against the Property, Lender is entitled to pursue a deficiency judgment with respect to such obligations against Borrower. The liability of Borrower is not limited to the original principal amount of the Note. Notwithstanding the foregoing, nothing herein shall inhibit or prevent Lender from foreclosing pursuant to this Security Instrument or exercising any other rights and remedies pursuant to the Note, the Loan Agreement, this Security Instrument and the Other Security Documents, whether simultaneously with foreclosure proceedings or in any other sequence. A separate action or actions may be brought and prosecuted against Borrower, whether or not action is brought against any other person or entity or whether or not any other person or entity is joined in the action or actions. In addition, Lender shall have the right but not the obligation to join and participate in, as a party if it so elects, any administrative or judicial proceedings or actions initiated in

connection with any matter addressed in the Environmental Indemnity. Borrower shall remain liable for any deficiency if the proceeds from any sale or other disposition of the Property are insufficient to satisfy the Obligation in full.

Section 11.11. RIGHT OF ENTRY. Lender and its agents shall have the right to enter and inspect the Property at all reasonable times, including, without limitation, the right to enter and inspect in order to conduct an appraisal of the Property. This Section 11.11 shall apply throughout the term of the Note and without regard to whether a Default or Event of Default has occurred or is continuing.

ARTICLE 12 - INTENTIONALLY OMITTED

ARTICLE 13 - INDEMNIFICATION

Section 13.1. GENERAL INDEMNIFICATION. Borrower shall, at its sole cost and expense, protect, defend, indemnify, release and hold harmless the Indemnified Parties from and against any and all claims, suits, liabilities (including, without limitation, strict liabilities), actions, proceedings, obligations, debts, damages, losses, costs, expenses, diminutions in value, fines, penalties, charges, fees, expenses, judgments, awards, amounts paid in settlement, punitive damages, foreseeable and unforeseeable consequential damages, of whatever kind or nature (including but not limited to reasonable attorneys' fees and other costs of defense) (the "Losses") imposed upon or incurred by or asserted against any Indemnified Parties and directly or indirectly arising out of or in any way relating to any one or more of the following (excluding Losses incurred by any Indemnified Party as a result of any Indemnified Party's wilful misconduct or gross negligence or those arising solely from a state of facts that first comes into existence after Lender or a third party acquires title to the Property through foreclosure or deed in lieu thereof or the exercise of any other right or remedy and not caused by Borrower): (a) any and all lawful action that may be taken by Lender in connection with the enforcement of the provisions of this Security Instrument or the Note, the Loan Agreement or the Other Security Documents, whether or not suit is filed in connection with same, or in connection with Borrower and/or any partner, member, joint venturer or shareholder thereof becoming a party to a voluntary or involuntary federal or state bankruptcy, insolvency or similar proceeding; (b) any accident, injury to or death of persons or loss of or damage to property occurring in, on or about the Property or any part thereof or on the adjoining sidewalks, curbs, adjacent property or adjacent parking areas, streets or ways; (c) any use, nonuse or condition in, on or about the Property or any part thereof or on the adjoining sidewalks, curbs, adjacent property or adjacent parking areas, streets or ways; (d) any failure on the part of Borrower to perform or be in compliance with any of the terms of this Security Instrument; (e) performance of any labor or services or the furnishing of any materials or other property in respect of the Property or any part thereof; (f) the failure of any person to file timely with the Internal Revenue Service an accurate Form 1099-B, Statement for Recipients of Proceeds from Real Estate, Broker and Barter Exchange Transactions, which may be required in connection with the Security Instrument, or to supply a copy thereof in a timely fashion to the recipient of the proceeds of the transaction in connection with which this Security Instrument is made; (g) any failure of the Property to be in compliance with any Applicable Laws; (h) the enforcement by any Indemnified Party of the provisions of this Article 13; (i) any and all claims and demands whatsoever which may be asserted against Lender by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants, or agreements contained in any Lease; (j) the payment of any commission, charge or brokerage fee to anyone which may be payable in connection with the funding of the loan evidenced by the Note and secured by this Security Instrument; or (k) any misrepresentation made by Borrower in this Security Instrument or any Other Security Document. Any amounts payable to Lender by reason of the application of this Section 13.1 shall become due and payable within ten (10) days written notice therefor and shall bear interest at the Default Rate from the date loss or damage is sustained by Lender until paid. For purposes of this Article 13, the term "Indemnified Parties" means Lender and any person or entity who is or will have been involved in the origination of this loan, any person or entity who is or will have been involved in the servicing of this loan, any person or entity in whose name the encumbrance created by this Security Instrument is or will have been recorded, persons and entities who may hold or acquire or will have held a full or partial interest in this loan (including, but not limited to, Participants and each Co-Lender (as defined in the Loan Agreement) as well as custodians, trustees and other fiduciaries who hold or have held a full or partial interest in this loan for the benefit of third parties) as well as the respective directors, officers, shareholders, partners, employees, agents, servants, representatives, contractors, subcontractors, affiliates, subsidiaries, participants, successors and assigns of any and all of the foregoing (including but not limited to any other person or entity who holds or acquires or will have held a participation or other full or partial interest in this loan or the Property, whether during the term of this loan or as a part of or following a foreclosure of this loan and including, but not limited to, any successors by merger, consolidation or acquisition of all or a substantial portion of Lender's assets and business).

Section 13.2. MORTGAGE AND/OR INTANGIBLE TAX. Borrower shall, at its

sole cost and expense, protect, defend, indemnify, release and hold harmless the Indemnified Parties from and against any and all Losses imposed upon or incurred by or asserted against any Indemnified Parties and directly or indirectly arising out of or in any way relating to any tax on the making and/or recording of this Security Instrument, the Note, the Loan Agreement or any of the Other Security Documents.

Section 13.3. INTENTIONALLY OMITTED.

Section 13.4. INTENTIONALLY OMITTED.

Section 13.5. DUTY TO DEFEND; ATTORNEYS' FEES AND OTHER FEES AND EXPENSES. Upon written request by any Indemnified Party, Borrower shall defend such Indemnified Party (if requested by any Indemnified Party, in the name of the Indemnified Party) by attorneys and other professionals approved by the Indemnified Parties. Notwithstanding the foregoing, any Indemnified Parties may, in their sole and absolute discretion, engage their own attorneys and other professionals to defend or assist them, and, at the option of Indemnified Parties, their attorneys shall control the resolution of claim or proceeding. Upon demand, Borrower shall pay or, in the sole and absolute discretion of the Indemnified Parties, reimburse, the Indemnified Parties for the payment of reasonable fees and disbursements of attorneys, engineers, environmental consultants, laboratories and other professionals in connection therewith.

ARTICLE 14 - WAIVERS

Section 14.1. WAIVER OF COUNTERCLAIM. Borrower hereby waives the right to assert a counterclaim, other than a mandatory or compulsory counterclaim, in any action or proceeding brought against it by Lender arising out of or in any way connected with this Security Instrument, the Note, the Loan Agreement, the Other Security Documents or the Obligations.

Section 14.2. MARSHALLING AND OTHER MATTERS. Borrower hereby waives, to the extent permitted by law, the benefit of all appraisement, valuation, stay, extension, reinstatement and redemption laws now or hereafter in force and all rights of marshalling in the event of any sale hereunder of the Property or any part thereof or any interest therein. Further, Borrower hereby expressly waives any and all rights of redemption from sale under any order or decree of foreclosure of this Security Instrument on behalf of Borrower, and on behalf of each and every person acquiring any interest in or title to the Property subsequent to the date of this Security Instrument and on behalf of all persons to the extent permitted by applicable law.

Section 14.3. WAIVER OF NOTICE. Borrower shall not be entitled to any notices of any nature whatsoever from Lender except with respect to matters for which this Security Instrument specifically and expressly provides for the giving of notice by Lender to Borrower and except with respect to matters for which Lender is required by applicable law to give notice, and Borrower hereby expressly waives the right to receive any notice from Lender with respect to any matter for which this Security Instrument does not specifically and expressly provide for the giving of notice by Lender to Borrower.

Section 14.4. INTENTIONALLY OMITTED.

Section 14.5. SOLE DISCRETION OF LENDER. Wherever pursuant to this Security Instrument (a) Lender exercises any right given to it to approve or disapprove, (b) any arrangement or term is to be satisfactory to Lender, or (c) any other decision or determination is to be made by Lender, the decision of Lender to approve or disapprove, all decisions that arrangements or terms are satisfactory or not satisfactory and all other decisions and determinations made by Lender, shall be in the sole and absolute discretion of Lender and shall be final and conclusive, except as may be otherwise expressly and specifically provided herein.

Section 14.6. INTENTIONALLY OMITTED.

SECTION 14.7. WAIVER OF TRIAL BY JURY. BORROWER, AND BY ITS ACCEPTANCE OF THIS SECURITY INSTRUMENT, LENDER, EACH CO-LENDER, PARTICIPANTS (AS DEFINED IN THE LOAN AGREEMENT), AGENT AND SYNDICATION AGENT EACH HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER IN CONTRACT, TORT OR OTHERWISE, RELATING DIRECTLY OR INDIRECTLY TO THE LOAN EVIDENCED BY THE NOTE, THE APPLICATION FOR THE LOAN EVIDENCED BY THE NOTE, THE LOAN AGREEMENT, THIS SECURITY INSTRUMENT OR THE OTHER SECURITY DOCUMENTS OR ANY ACTS OR OMISSIONS OF LENDER, ITS OFFICERS, EMPLOYEES, DIRECTORS OR AGENTS IN CONNECTION THEREWITH.

ARTICLE 15 - RECOURSE

Section 15.1. RECOURSE. The recourse obligations of Borrower and the REIT relating to the Debt and the Obligations (as defined in the Loan Agreement) shall be governed by Section 9.08 of the Loan Agreement.

ARTICLE 16 - NOTICES

Section 16.1. NOTICES. All notices or other written communications hereunder shall be deemed to have been properly given (i) upon delivery, if delivered in person or by facsimile transmission with receipt acknowledged in writing by the recipient thereof with respect to deliveries in person or by answerback if delivered by facsimile transmission, (ii) one (1) Business Day (defined below) after having been deposited for overnight delivery with any reputable overnight courier service, or (iii) five (5) Business Days after having been deposited in any post office or mail depository regularly maintained by the U.S. Postal Service and sent by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

If to Agent or Syndication Agent, as follows:

Lehman Brothers Holdings Inc.
d/b/a Lehman Capital, a division of
Lehman Brothers Holdings Inc.
Three World Financial Center, 8th Floor
New York, New York 10285
Telecopier Number: (212) 526-7423
Attention: David Juge

and to

Hatfield Philips Inc.
285 Peachtree Center Avenue
Marquis Two Tower
Atlanta, Georgia 30303
Telecopier Number: (404) 420-5610
Attention: Mr. Greg Winchester

If to Borrower or the REIT, as follows:

SL Green Operating Partnership, L.P.
70 West 36th Street
New York, New York 10018
Attention: Benjamin P. Feldman, Esq.
Facsimile No. (212) 594-0086

with a copy to:

Greenberg, Traurig, Hoffman, Lipoff, Rosen & Quentel
200 Park Avenue
New York, New York 10166

Attention: Robert J. Ivanhoe, Esq.
Facsimile No. (212) 801-6400

or addressed as such party may from time to time designate by written notice to the other parties.

Either party by notice to the other may designate additional or different addresses for subsequent notices or communications.

For purposes of this Subsection, "Business Day" shall mean a day on which commercial banks are not authorized or required by law to close in New York, New York.

ARTICLE 17 - SERVICE OF PROCESS

Section 17. CONSENT TO SERVICE. Borrower will maintain a place of business or an agent for service of process in New York, New York and give prompt notice to Lender of the address of such place of business and of the name and address of any new agent appointed by it, as appropriate. Borrower further agrees that the failure of its agent for service of process to give it notice of any service of process will not impair or affect the validity of such service or of any judgment based thereon.

Section 17.2. SUBMISSION TO JURISDICTION. With respect to any claim or action arising hereunder or under the Note or the Other Security Documents, Borrower (a) irrevocably submits to the nonexclusive jurisdiction of the courts of the State of New York and the United States District Court located in the Borough of Manhattan in New York, New York, and appellate courts from any thereof, and (b) irrevocably waives any objection which it may have at any time to the laying on venue of any suit, action or proceeding arising out of or relating to this Security Instrument brought in any such court, irrevocably waives any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

Section 17.3. JURISDICTION NOT EXCLUSIVE. Nothing in this Security

Instrument will be deemed to preclude Lender from bringing an action or proceeding with respect hereto in any other jurisdiction.

ARTICLE 18 - APPLICABLE LAW

SECTION 18.1. CHOICE OF LAW. THIS SECURITY INSTRUMENT SHALL BE DEEMED TO BE A CONTRACT ENTERED INTO PURSUANT TO THE LAWS OF THE STATE OF NEW YORK AND SHALL IN ALL RESPECTS BE GOVERNED, CONSTRUED, APPLIED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, PROVIDED HOWEVER, THAT WITH RESPECT TO THE CREATION, PERFECTION, PRIORITY AND ENFORCEMENT OF THE LIEN OF THIS SECURITY INSTRUMENT, AND THE DETERMINATION OF DEFICIENCY JUDGMENTS, THE LAWS OF THE STATE WHERE THE PROPERTY IS LOCATED SHALL APPLY.

Section 18.2. USURY LAWS. This Security Instrument and the Note are subject to the express condition that at no time shall Borrower be obligated or required to pay interest on the Debt at a rate which could subject the holder of the Note to either civil or criminal liability as a result of being in excess of the maximum interest rate which Borrower is permitted by applicable law to contract or agree to pay. If by the terms of this Security Instrument or the Note, Borrower is at any time required or obligated to pay interest on the Debt at a rate in excess of such maximum rate, the rate of interest under the Security Instrument and the Note shall be deemed to be immediately reduced to such maximum rate and the interest payable shall be computed at such maximum rate and all prior interest payments in excess of such maximum rate shall be applied and shall be deemed to have been payments in reduction of the principal balance of the Note. All sums paid or agreed to be paid to Lender for the use, forbearance, or detention of the Debt shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full stated term of the Note until payment in full so that the rate or amount of interest on account of the Debt does not exceed the maximum lawful rate of interest from time to time in effect and applicable to the Debt for so long as the Debt is outstanding.

Section 18.3. PROVISIONS SUBJECT TO APPLICABLE LAW. All rights, powers and remedies provided in this Security Instrument may be exercised only to the extent that the exercise thereof does not violate any applicable provisions of law and are intended to be limited to the extent necessary so that they will not render this Security Instrument invalid, unenforceable or not entitled to be recorded, registered or filed under the provisions of any applicable law. If any term of this Security Instrument or any application thereof shall be invalid or unenforceable, the remainder of this Security Instrument and any other application of the term shall not be affected thereby.

ARTICLE 19 - SECONDARY MARKET

Section 19.1. TRANSFER OF LOAN. The Lender shall have the right in its sole discretion at any time during the term of this Security Instrument to sell, assign, syndicate, participate or otherwise transfer and/or dispose of all or any portion of its interest in the loan evidenced by the Note, in accordance with, and subject to, the terms, covenants, conditions and restrictions set forth in the Loan Agreement.

ARTICLE 20 - COSTS

Section 20.1. PERFORMANCE AT BORROWER'S EXPENSE. Borrower acknowledges and confirms that Lender shall impose certain commitment fees and certain other reasonable administrative processing and due diligence in connection with (a) the extension, renewal, modification, amendment and termination of its loans, (b) the release, addition or substitution of collateral therefor, (c) obtaining certain consents, waivers and approvals with respect to the Property, or (d) the review of any Lease or proposed Lease or the preparation or review of any subordination, non-disturbance and attornment agreement (the occurrence of any of the above shall be called an "Event"). Borrower further acknowledges and confirms that it shall be responsible for the payment of all costs of an appraisal or reappraisal of the Property or any part thereof, whether required by law, regulation, Lender or any governmental or quasi-governmental authority. Borrower hereby acknowledges and agrees to pay, promptly after demand, all such fees (as the same may be increased or decreased from time to time), and any additional fees of a similar type or nature which may be imposed by Lender from time to time, upon the occurrence of any Event or otherwise. Wherever it is provided for herein that Borrower pay any costs and expenses, such costs and expenses shall include, but not be limited to, all legal fees and disbursements of Lender, whether retained firms, the reimbursement for the expenses of in-house staff or otherwise and Lender's out-of-pocket expenses.

Section 20.2. ATTORNEY'S FEES FOR ENFORCEMENT. (a) Borrower shall pay all reasonable legal fees incurred by Lender in connection with (i) the preparation of the Note, the Loan Agreement, this Security Instrument and the Other Security Documents and (ii) the items set forth in Section 20.1 above, and (b) Borrower shall pay to Lender promptly upon demand any and all

expenses, including reasonable legal expenses, reasonable attorneys' fees and due diligence costs incurred or paid by Lender in protecting its interest in the Property or Personal Property or in collecting any amount payable hereunder or in enforcing its rights hereunder with respect to the Property or Personal Property, whether or not any legal proceeding is commenced hereunder or thereunder and whether or not any Default or Event of Default shall have occurred and is continuing, together with interest thereon at the Default Rate from the date paid or incurred by Lender until such expenses are paid by Borrower.

ARTICLE 21 - DEFINITIONS

Section 21.1. GENERAL DEFINITIONS. Unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, words used in this Security Instrument may be used interchangeably in singular or plural form and the word "Borrower" shall mean "each Borrower and any subsequent owner or owners of the Property or any part thereof or any interest therein, including, but not limited to, the leasehold estate created by the Ground Lease," the word "Lender" shall mean "Lender and any subsequent holder of the Note and any Co-Lender (as defined in the Loan Agreement)," the word "Note" shall mean "the Note and any other evidence of indebtedness secured by this Security Instrument," the word "person" shall include an individual, corporation, partnership, trust, unincorporated association, government, governmental authority, and any other entity, the word "Property" shall include any portion of the Property and any interest therein, and the phrases "attorneys' fees" and "counsel fees" shall include any and all attorneys', paralegal and law clerk fees and disbursements, including, but not limited to, fees and disbursements at the pre-trial, trial and appellate levels incurred or paid by Lender in protecting its interest in the Property, the Leases and the Rents and enforcing its rights hereunder.

ARTICLE 22 - MISCELLANEOUS PROVISIONS

Section 22.1. NO ORAL CHANGE. This Security Instrument, and any provisions hereof, may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Borrower or Lender, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

Section 22.2. LIABILITY. If Borrower consists of more than one person, the obligations and liabilities of each such person hereunder shall be joint and several, subject to Section 9.08 of the Loan Agreement. This Security Instrument shall be binding upon and inure to the benefit of Borrower and Lender and their respective successors and assigns forever.

Section 22.3. INAPPLICABLE PROVISIONS. If any term, covenant or condition of the Note, the Loan Agreement or this Security Instrument is held to be invalid, illegal or unenforceable in any respect, the Note, the Loan Agreement and this Security Instrument shall be construed without such provision.

Section 22.4. HEADINGS, ETC. The headings and captions of various Sections of this Security Instrument are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

Section 22.5. DUPLICATE ORIGINALS; COUNTERPARTS. This Security Instrument may be executed in any number of duplicate originals and each duplicate original shall be deemed to be an original. This Security Instrument may be executed in several counterparts, each of which counterparts shall be deemed an original instrument and all of which together shall constitute a single Security Instrument. The failure of any party hereto to execute this Security Instrument, or any counterpart hereof, shall not relieve the other signatories from their obligations hereunder.

Section 22.6. NUMBER AND GENDER. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa.

Section 22.7. SUBROGATION. If any or all of the proceeds of the Note have been used to extinguish, extend or renew any indebtedness heretofore existing against the Property, then, to the extent of the funds so used, Lender shall be subrogated to all of the rights, claims, liens, titles, and interests existing against the Property heretofore held by, or in favor of, the holder of such indebtedness and such former rights, claims, liens, titles, and interests, if any, are not waived but rather are continued in full force and effect in favor of Lender and are merged with the lien and security interest created herein as cumulative security for the repayment of the Debt, the performance and discharge of Borrower's obligations hereunder, under the Note and the Other Security Documents and the performance and discharge of

the Other Obligations.

Section 22.8. NO JOINT VENTURE. Notwithstanding anything to the contrary herein contained, Lender by entering into this Security Instrument or by taking any action pursuant hereto, will not be deemed a partner or joint venturer with Borrower and Borrower agrees to hold Lender harmless from any damages and expenses resulting from such a construction of the relationship of the parties hereto or any assertion thereof.

Section 22.9. NO BENEFIT TO THIRD PARTIES. This Security Instrument is for the sole and exclusive benefit of Borrower and Lender and all conditions of the obligations of Lender hereunder are imposed solely and exclusively for the benefit of Lender and its assigns and no other person shall have standing to require satisfaction of such conditions in accordance with their terms or be entitled to assume that Lender will refuse to meet its obligations hereunder in the absence of strict compliance with any and all thereof and no other person shall under any circumstances be deemed to be a beneficiary of such conditions, any or all of which may be freely waived in whole or in part by the Lender at any time if it in its sole discretion deems it advisable to do so. Without limiting the generality of the foregoing, Lender shall not have any duty or obligation to anyone to ascertain that funds advanced pursuant to the terms of the Loan Agreement are used to pay the cost of constructing the improvements on the Property or to acquire materials and supplies to be used in connection therewith or to pay costs of owning, operating and maintaining same.

Section 22.10. ENTIRE AGREEMENT. The Note, the Loan Agreement, this Security Instrument and the Other Security Documents constitute the entire understanding and agreement between Borrower and Lender with respect to the transactions arising in connection with the Debt and supersede all prior written or oral understandings and agreements between Borrower and Lender with respect thereto. Borrower hereby acknowledges that, except as incorporated in writing in the Note, the Loan Agreement, this Security Instrument and the Other Security Documents, there are not, and were not, and no persons are or were authorized by Lender to make, any representations, understandings, stipulations, agreements or promises, oral or written, with respect to the transaction which is the subject of the Note, the Loan Agreement, this Security Instrument and the Other Security Documents.

Section 22.11. BROKERS. Borrower and Lender hereby represent and warrant that no brokers or finders were used in connection with procuring the financing contemplated hereby and Borrower hereby agrees to indemnify and save Lender harmless from and against any and all liabilities, losses, costs and expenses (including attorneys' fees or court costs) suffered or incurred by Lender as a result of any claim or assertion by any party claiming by, through or under Borrower, that it is entitled to compensation in connection with the financing contemplated hereby and Lender hereby agrees to indemnify and save Borrower harmless from and against any and all liabilities, losses, costs and expenses (including attorneys' fees or court costs) suffered or incurred by Borrower as a result of any claim or assertion by any party claiming by, through or under Lender that it is entitled to compensation in connection with the financing contemplated hereby.

ARTICLE 23 - INTENTIONALLY DELETED

ARTICLE 24 - STATE SPECIFIC PROVISIONS

Section 24.1. TRUST FUND. Pursuant to Section 13 of the New York Lien Law, Borrower shall receive the advances secured hereby and shall hold the right to receive the advances as a trust fund to be applied first for the purpose of paying the cost of any improvement and shall apply the advances first to the payment of the cost of any such improvement on the Property before using any part of the total of the same for any other purpose.

Section 24.2. COMMERCIAL PROPERTY. Borrower represents that this Security Instrument does not encumber real property principally improved or to be improved by one or more structures containing in the aggregate not more than six residential dwelling units, each having its own separate cooking facilities.

Section 24.3. INSURANCE. The provisions of subsection 4 of Section 254 of the New York Real Property Law covering the insurance of buildings against loss by fire shall not apply to this Security Instrument. In the event of any conflict, inconsistency or ambiguity between the provisions of Section 3.3 hereof and the provisions of subsection 4 of Section 254 of the New York Real Property Law covering the insurance of buildings against loss by fire, the provisions of Section 3.3 shall control.

Section 24.4. LEASES. Lender shall have all of the rights against lessees of the Property set forth in Section 291-f of the Real Property Law of New York.

Section 24.5. STATUTORY CONSTRUCTION. The clauses and covenants contained in this Security Instrument that are construed by Section 254 of the New York Real Property Law shall be construed as provided in those sections (except as provided in Section 24.3). The additional clauses and covenants contained in this Security Instrument shall afford rights supplemental to and not exclusive of the rights conferred by the clauses and covenants construed by Section 254 and shall not impair, modify, alter or defeat such rights (except as provided in Section 24.3), notwithstanding that such additional clauses and covenants may relate to the same subject matter or provide for different or additional rights in the same or similar contingencies as the clauses and covenants construed by Section 254. The rights of Lender arising under the clauses and covenants contained in this Security Instrument shall be separate, distinct and cumulative and none of them shall be in exclusion of the others. No act of Lender shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision, anything herein or otherwise to the contrary notwithstanding. In the event of any inconsistencies between the provisions of Section 254 and the provisions of this Security Instrument, the provisions of this Security Instrument shall prevail.

Section 24.6. MAXIMUM PRINCIPAL AMOUNT SECURED. Notwithstanding anything contained herein to the contrary, the maximum amount of principal indebtedness secured by this Security Instrument at the time of execution hereof or which under any contingency may become secured by this Security Instrument at any time hereafter is $149,513,915.18, plus (a) taxes, charges or assessments which may be imposed by law upon the Property; (b) premiums on insurance policies covering the Property; (c) expenses incurred in upholding the lien of this Security Instrument, including, but not limited to (i) the expenses of any litigation to prosecute or defend the rights and lien created by this Security Instrument; (ii) any amount, cost or charges to which Lender becomes subrogated, upon payment, whether under recognized principles of law or equity, or under express statutory authority and (iii) interest at the Default Rate (or regular interest rate).

Section 24.7. THE GROUND LEASE. Borrower shall (i) pay all rents, additional rents and other sums required to be paid by Borrower, as tenant in accordance with, and subject to, the provisions of the Ground Lease, (ii) diligently perform and observe all of the terms, covenants and conditions of the Ground Lease on the part of Borrower, as tenant thereunder, and (iii) promptly notify Lender of the giving of any notice by the landlord under the Ground Lease to Borrower of any default by Borrower, as tenant thereunder, and deliver to Lender a true copy of each such notice. Borrower shall not, without the prior consent of Lender, surrender the leasehold estate created by the Ground Lease or terminate or cancel the Ground Lease or modify, change, supplement, alter or amend the Ground Lease, in any respect, either orally or in writing, and if Borrower shall default in the performance or observance of any term, covenant or condition of the Ground Lease on the part of Borrower, as tenant thereunder, Lender shall have the right, but shall be under no obligation, to pay any sums and to perform any act or take any action as may be appropriate to cause all of the terms, covenants and conditions of the Ground Lease on the part of Borrower to be performed or observed on behalf of Borrower, to the end that the rights of Borrower in, to and under the Ground Lease shall be kept unimpaired and free from default. If the landlord under the Ground Lease shall deliver to Lender a copy of any notice of default under the Ground Lease, such notice shall constitute full protection to Lender for any action taken or omitted to be taken by Lender, in good faith, in reliance thereon. Borrower shall exercise each individual option, if any, to extend or renew the term of the Ground Lease upon demand by Lender made at any time within one (1) year prior to the last day upon which any such option may be exercised, and Borrower hereby expressly authorizes and appoints Lender its attorney-in-fact to exercise any such option in the name of and upon behalf of Borrower, which power of attorney shall be irrevocable and shall be deemed to be coupled with an interest.

Section 24.8. SUBLEASES. Notwithstanding anything contained in the Ground Lease to the contrary, Borrower shall not further sublet any portion of the Leased Land without prior written consent of Lender. Each such Lender-approved sublease hereafter made shall provide that, (a) in the event of the termination of the Ground Lease, the lease shall not terminate or be terminable by the lessee; (b) in the event of any action for the foreclosure of this Security Instrument, the lease shall not terminate or be terminable by the subtenant by reason of the termination of the Ground Lease unless the lessee is specifically named and joined in any such action and unless a judgment is obtained therein against the lessee; and (c) in the event that the Ground Lease is terminated as aforesaid, the lessee shall attorn to the lessor under the Ground Lease or to the purchaser at the sale of the Property on such foreclosure, as the case may be. In the event that any portion of the Leased Land shall be sublet pursuant to the terms of this Subsection, such sublease shall be deemed to be included in the Property.

Section 24.9. NO MERGER OF FEE AND LEASEHOLD ESTATES; RELEASES. So long as any portion of the Debt shall remain unpaid, unless Lender shall otherwise consent, the fee title to the Leased Land and the leasehold estate therein created pursuant to the provisions of the Ground Lease shall not merge but shall always be kept separate and distinct, notwithstanding the union of such estates in Borrower, Owner, or in any other person by purchase, operation of law or otherwise. Lender reserves the right, at any time, to release portions of the Property, including, but not limited to, the leasehold estate

created by the Ground Lease, with or without consideration, at Lender's election, without waiving or affecting any of its rights hereunder or under the Note or the Other Security Documents and any such release shall not affect Lender's rights in connection with the portion of the Property not so released.

Section 24.10. BORROWER'S ACQUISITION OF FEE ESTATE. In the event that Borrower, so long as any portion of the Debt remains unpaid, shall be the owner and holder of the fee title to the Leased Land, the lien of this Mortgage shall be spread to cover Borrower's fee title to the Leased Land and said fee title shall be deemed to be included in the Property. Borrower agrees, at its sole cost and expense, including without limitation, Lender's reasonable attorney's fees, to (i) execute any and all documents or instruments necessary to subject its fee title to the Leased Land to the lien of this Mortgage; and (ii) provide a title insurance policy which shall insure that the lien of this Mortgage is a first lien on Borrower's fee title to the Leased Land.

IN WITNESS WHEREOF, THIS SECURITY INSTRUMENT has been executed by Borrower the day and year first above written.

SL GREEN OPERATING PARTNERSHIP, L.P., a Delaware limited partnership

By: SL GREEN REALTY CORP., a Maryland corporation, its general partner

By: /s/ David J. Nettina

David J. Nettina
Chief Financial Officer

By: /s/ Benjamin P. Feldman

Benjamin P. Feldman
Executive Vice President

NEW GREEN 1140 REALTY LLC, a New York limited liability company

By: SL GREEN OPERATING PARTNERSHIP, L.P., a Delaware limited partnership, its managing member

By: SL GREEN REALTY CORP., a Maryland corporation, its general partner

By: /s/ David J. Nettina

David J. Nettina
Chief Financial Officer

By: /s/ Benjamin P. Feldman

Benjamin P. Feldman
Executive Vice President

SLG 17 BATTERY LLC, a New York limited liability company

By: SL GREEN OPERATING PARTNERSHIP, L.P., a Delaware limited partnership, its managing member

By: SL GREEN REALTY CORP., a Maryland corporation, its general partner

By: /s/ David J. Nettina

David J. Nettina
Chief Financial Officer

By: /s/ Benjamin P. Feldman

Benjamin P. Feldman
Executive Vice President

ACKNOWLEDGMENTS

(to be attached)

EXHIBIT A

(Exhibit Begins On Next Page)

EXHIBIT B

That certain Ground Lease dated October 1, 1951, by and between Phoenix Mutual Life Insurance Company, and 67 West 44th Street Inc., which by those certain assignments described below has been assigned to New Green 1140 Realty LLC as tenant:

1. Assignment of Lease made by 67 WEST 44TH ST. INC. to FAWCETT ASSOCIATES, a N.Y. Limited Partnership, dated 9/3/58 and recorded 9/5/58 in Liber 5049 Cp. 304.

2. Assignment of Lease made by FAWCETT ASSOCIATES, a N.Y. Limited Partnership, to THE KRATTER CORPORATION, a Delaware Corporation, dated as of 1/9/60, and recorded 3/23/64 in Liber 5271 Cp. 339.

3. Assignment of Lease made by THE KRATTER CORPORATION, a Delaware Corporation, to 67 WEST 44TH ST. INC., dated 3/1/65, and recorded 3/2/65 in Liber 5316 Cp. 287.

4. Assignment of Lease made by 67 WEST 44TH ST. INC. to 44TH SIXTH CORPORATION, dated 8/27/65, and recorded 8/30/65 in Liber 5340 Cp. 345.

5. Modification Agreement made by SUTTON ASSOCIATES, INC. and 44TH SIXTH CORPORATION, dated 4/30/66, and recorded 5/19/66 in Record Liber 58 Page 223.

6. Assignment of Lease made by 44TH SIXTH CORPORATION to 1140 SIXTH AVENUE COMPANY, dated as of 10/1/66, and recorded 12/8/66 in Record Liber 130 Page 397.

7. Assignment of Lease made by 1140 SIXTH AVENUE COMPANY, a N.Y. Limited Partnership, to CALNY CONSTRUCTION CORP., dated 7/21/71, and recorded 7/22/71 in Reel 211 Page 1499.

8. Assignment of Lease made by CALNY CONSTRUCTION CORP. to 1140 SIXTH AVENUE COMPANY, a N.Y. Limited Partnership, dated 7/21/71, and recorded 7/22/71 in Reel 211 Page 1572.

9. Assignment of Lease made by 1140 SIXTH AVENUE COMPANY, a N.Y. Limited Partnership, to CALNY CONSTRUCTION CORP., dated 10/19/71, and recorded 10/21/71 in Reel 220 Page 50.

10. Assignment of Lease made by CALNY CONSTRUCTION CORP. to 1140 SIXTH AVENUE COMPANY, a N.Y. Limited Partnership, dated 10/19/71, and recorded 10/21/71 in Reel 220 Page 112.

11. Assignment of Lease made by 1140 SIXTH AVENUE COMPANY, a N.Y. Limited Partnership, to KAYEMACLER REALTY INC., dated as of 1/1/74, and recorded 3/8/74 in Reel 307 Page 1108.

12. Assignment of Lease made by KAYEMACLER REALTY INC. to AVAMERICAS ASSOCIATES, a N.Y. Limited Partnership, dated as of 1/1/74, and recorded 3/8/74 in Reel 307 Page 1169;

13. Assignment of Lease made by AVAMERICAS ASSOCIATES, a N.Y. Limited Partnership, to KAYEMACLER REALTY INC., dated 5/7/74, and recorded 5/7/74 in Reel 312 Page 1567.

14. Assignment of Lease made by KAYEMACLER REALTY INC. to AVAMERICAS ASSOCIATES, a N.Y. Limited Partnership, dated 5/7/74, and recorded 5/15/74 in Reel 313 Page 898.

15. Assignment of Lease made by AVAMERICAS ASSOCIATES, a N.Y. Limited Partnership, to KAYEMACLER REALTY INC., dated 7/2/74, and recorded 7/3/74 in Reel 318 Page 804.

16. Assignment of Lease made by KAYEMACLER REALTY INC. to AVAMERICAS ASSOCIATES, dated as of 7/2/74, and recorded 7/10/74 in Reel 318 Page 1713.

17. Assignment and Assumption of Lease made by AVAMERICAS ASSOCIATES, a N.Y. Limited Partnership, to 1140 ASSOCIATES, a N.Y. Limited Partnership, dated 9/15/82, and recorded 9/16/82 in Reel 638 Page 1777.

18. Assignment and Assumption of Ground Lease made by and between 1140 ASSOCIATES, a N.Y. Limited Partnership, and INTER-OCEAN REALTY ASSOCIATES, a N.Y. Limited Partnership, dated 5/2/84, and recorded 5/11/84 in Reel 792 Page 203.

19. Assignment and Assumption of Ground Lease made by and between INTER-OCEAN REALTY ASSOCIATES and 1140 SIXTH ASSOCIATES L.P. dated as of 12/29/92 and recorded 1/7/93 in Reel 1934 Page 1141.

20. Assignment and Assumption of Ground Lease made by and between 1140 SIXTH AVENUE ASSOCIATES, L.P. and NEW GREEN 1140 REALTY LLC, dated 8/20/97 and recorded in the office of the City Register, New York County, New York.

EXHIBIT C

(Description of Mortgage)

I. Parcel I

1. Mortgage made by 1466 Broadway to The Chase Manhattan Bank, dated February 29, 1980, recorded in the Office of the Register of the City of New York, County of New York, (the "CITY REGISTER'S OFFICE) on June 18, 1980 in Reel/Liber 527 of Mortgages, page 1796, and the note therein referred to, which said note and mortgage were given to secure the payment of the principal sum of $1,800,000 with interest thereon at the rate specified in said note;

mortgage tax paid $27,000;

2. Mortgage made by 1466 Broadway to The Chase Manhattan Bank, dated February 29, 1980, recorded in the City Register's Office on June 18, 1980 in Reel/Liber 527 of Mortgages, Page 237, and the note therein referred to, which said note and mortgage were given to secure the payment of the principal sum of $1,800,000 with interest thereon at the rate specified in said note;

mortgage tax paid $27,000;

Which mortgage (1) and (2) were consolidated by consolidation agreement made by and between 1466 Broadway Associates and The Chase Manhattan Bank, dated February 29, 1980, recorded in the City Register's Office on October 30, 1980 in Reel/Liber 542 of Mortgages, Page 216 to form a single lien of $3,600,000;

3. Mortgage made by 1466 Broadway to The Chase Manhattan Bank, dated February 29, 1980, recorded in the City Register's Office on June 18, 1980 in Reel/Liber 527 of Mortgages, Page 1918, and the note therein referred to, which said note and mortgage were given to secure the payment of the principal sum of $1,800,000 with interest thereon at the rate specified in said note;

mortgage tax paid $27,000;

Which mortgage together with Mortgages (1) and (2) were consolidated by consolidation agreement made by and between 1466 Broadway Associates and The Chase Manhattan Bank, dated February 29, 1980, recorded in the City Register's Office on December 19, 1980 in Reel/Liber 547 of Mortgages, Page 1952 to form a single lien of $5,400,000;

4. Mortgage made by 1466 Broadway Associates to The Chase Manhattan Bank, dated December 23, 1981, recorded in the City Register's Office on December 30, 1981 in Reel/Liber 597 of Mortgages, Page 1812, and the note therein referred to, which said note and mortgage were given to secure the payment of the principal sum of 6,600,000 with interest thereon at the rate specified in said note;

mortgage tax paid $99,000;

Which mortgage together with Mortgages (1), (2) and (3) were consolidated by a spreader and consolidation agreement made by and between The Chase Manhattan Bank and 1466 Broadway Associates, dated January 8, 1982, recorded in the City Register's Office on January 21, 1982 in Reel/Liber 601 of Mortgages, Page 1978 to form a single lien interest of $12,000,000 and spreads the lien of Mortgages (1), (2) and (3) to cover the fee interest;

Which four (4) mortgages as consolidated were assigned by assignment of mortgage by The Chase Manhattan Bank to Barclays Bank International Limited, dated January 20, 1982 in Reel/Liber 603 of Mortgages, Page 760 to assign the four (4) mortgages as consolidated;

Which four (4) mortgages as consolidated were modified by mortgage and modification agreement made by and between Barclays Bank International Limited and 1466 Broadway Associates, dated January 26, 1982, recorded in the City Register's Office on January 26, 1982 in Reel/Liber 603 of Mortgages, Page 764 to modify the terms of the four (4) mortgages as consolidated;

Which four (4) mortgages as consolidated were further assigned by assignment of mortgage by Barclays Bank International Limited and The Chase Manhattan Bank, N.A., dated August 15, 1983, recorded in the City Register's Office on October 5, 1983 in Reel/Liber 723 of Mortgages, Page 1203 to further assign the four (4) mortgages as consolidated;

5. Mortgage made by 1466 Broadway Associates to The Chase Manhattan Bank, dated August 29, 1983, recorded in the City Register's Office on October 5, 1983 in Reel/Liber 723 of Mortgages, Page 1207 and the note therein referred to, which said note and mortgage were given to secure the payment of the principal sum of $6,375,000 with interest thereon at the rate specified in said note;

mortgage tax paid $143,437.50

Which mortgage together with Mortgages (1), (2),(3), and (4) by consolidation agreement made by and between 1466 Broadway Associates and The Chase Manhattan Bank, dated August 29, 1983, recorded in the City Register's Office on October 5, 1983 in Reel/Liber 723 of Mortgages, Page 1214 were consolidated to form a single lien of 18,375,000;

6. Mortgage made by 1466 Broadway Associates to Mony Pension Insurance Corporation, dated June 6, 1986, recorded in the City Register's Office on June 18, 1986 in Reel/Liber 1077 of Mortgages, Page 1781, and the note therein referred to, which said note and

mortgage were given to secure the payment of the principal sum of $26,625,000 with interest thereon at the rate specified in said note, which mortgage by its terms consolidates Mortgages (1), (2), (3), (4), and (5) to form a single first mortgage lien in the principal sum of $45,000,000;

mortgage tax paid $599,062.50;

Which six (6) mortgages as consolidated were assigned by assignment of mortgage by Mony Pension Insurance Corporation to Mutual Life Insurance Company, dated August 30, 1987, recorded in the City Register's Office on February 15, 1989 in Reel/Liber 1844 of Mortgages, Page 1776 to assign the six (6) mortgages as consolidated;

Which six (6) mortgages as consolidated were modified by mortgage modification agreement made by 1466 Broadway Associates and the Mutual Life Insurance Company of New York, dated January 23, 1992, recorded in the City Register's Office on January 30, 1992 in Reel/Liber 1844 of Mortgages, Page 1228 to modify the terms of the six mortgages as consolidated;

Which six mortgages as consolidated were further assigned by assignment of mortgage/deed of trust and other loan documents made by The Mutual Life Insurance Company of New Yrok to Ausa Life Insurance Company, Inc., dated December 31, 1993, recorded in the City Register's Office on February 7, 1994 in Reel/Liber 2056 of Mortgages, Page 201;

Which six mortgages as consolidated were further modified by second mortgage modification agreement made by and between 1466 Broadway Associates and Ausa Life Insurance Company Inc., dated August 5, 1996, recorded in the City Register's Office on August 20, 1996 in Reel/Liber 2371 of Mortgages, Page 1184;

Which six mortgages as consolidated was further assigned by assignment of mortgage made by Ausa Life Insurance Company, Inc. to 633 LLC, dated October 15, 1997, recorded in the City Register's Office on _____ __, 19__ in Reel/Liber _____ of Mortgages, Page ___.

Parcel II

Mortgage dated as of January 19, 1994, made by 110 to Home Savings of America FSB, in the original principal amount of $9,000,000.00 and recorded in the City Register on February 1, 1994 in Reel 2054, Page 176; which mortgage was corrected by a Correction Mortgage, dated as of January 19, 1994, made by 110 to Home, and recorded in the City Register on August 10, 1994 in Reel 2127, Page 1764; which mortgage was modified by a Substituted Mortgage B Spreader and Note and Mortgage Modification Agreement, dated as of June 19, 1997 between 110 and Home in the original principal amount of $8,723,418.00, and recorded in the City Register on August 20, 1997, in Reel 2489, Page 46.

Parcel III

1. Mortgage dated as of August 21, 1923, recorded on August 22, 1923 in Reel/Liber 3387, MP 126, in the original principal amount of $320,000.

Mortgage tax paid $1,600.

2. Assignment of Mortgage, dated November 17, 1924, recorded on November 18, 1924 in Reel/Liber 3506, MP 404, in the original principal amount of $430,000.

Mortgage tax paid $2,150.

Which mortgage, together with Mortgage 1 were consolidated by consolidation and extension agreement, dated November 17, 1924, recorded on November 18, 1924 in Reel/Liber 3511, MP 224, to form a single lien of $750,000.

Which two (2) mortgages as consolidated were assigned by assignment of mortgage on January 31, 1951, recorded on February 2, 1951, in Reel/Liber 5216, MP 171.

3. Mortgage dated as of June 14, 1957, recorded on June 23, 1957 in Reel/Liber 5483, MP 413, in the original principal amount of 183,224.83.

Mortgage tax paid $916.00.

Which mortgage, together with Mortgage 1 and 2 were consolidated by consolidation and extension agreement dated June 14, 1957, recorded June 24, 1957 in Reel/Liber 5683, MP 587, to form a single lien of $650,000.

4. Mortgage dated as of June 28, 1963, recorded on June 31, 1963 in Reel/Liber 6173, MP 74, in the original principal amount of $145,682.21.

Mortgage tax paid $.

Which mortgage, together with Mortgage 1, 2, and 3 were consolidated by consolidation and extension agreement dated June 14, 1963, recorded on June 14, 1963 in Reel/Liber 6178, MP 179, to form a single lien of $725,000.

Which four (4) mortgages were assigned as consolidated by assignment of mortgage dated May 10, 1973, recorded on May 25, 1973 in Reel 279, Page 1499.

5. Mortgage dated May 24, 1973, recorded on May 25, 1973 in Reel/Liber 279, Page 1494, in the original principal amount of 402,988.29.

Mortgage tax paid $5,037.50.

Which mortgage, together with Mortgage 1, 2, 3, and 4 were consolidated by consolidation and extension agreement dated May 24, 1973, recorded on June 5, 1973 in Reel/Liber 280, Page 1123, to form a single lien of $1,000,000.

Which five (5) mortgage's terms were extended by extension agreement dated May 24, 1983, recorded on December 14, 1983 in Reel 744, Page 1917.

Which five (5) mortgages were assigned by assignment of mortgage dated December 19, 1994, recorded on January 14, 1985 in Reel 866, Page 299.

6. Mortgage dated December 19, 1984, recorded on January 14, 1985 in Reel 866, Page 221, in the original principal amount of 8,692,898.86.

Mortgage tax paid $195,590.25.

Which mortgage, together with Mortgage 1, 2, 3, 4, and 5 were consolidated by agreement of spreader consolidation and modification of mortgage, dated December 19, 1984, recorded on January 14, 1985 in Reel 866, Page 255 to form a single lien of 9,500,000.

Which six (6) mortgage's terms were modified by modification of consolidation agreement on August 24, 1995, recorded on September 8, 1985 in Reel 2241, Page 1813.

Which six (6) mortgages were further modified by second modification of consolidation agreement on December 21, 1995, recorded on February 20, 1996 in Reel 866, Page 255.

Which six (6) mortgages were severed by mortgage severance and modification agreement dated January 25, 1996, recorded on January 30, 1996 in Reel 2293, Page 1403, which mortgages were severed as follows:

(a)A mortgage in the amount of 2,660,000 as evidenced by Reel 2293, Page 1499 which is now satisfied; and

(b)A mortgage in the amount of 6, 840,000.

Which six (6) mortgages were assigned by assignment of mortgage dated January 25, 1996, recorded February 20, 1996 as severed in the amount of 6,840,000.

Which six (6) mortgages were modified and extended by modification and extension agreement dated January 30, 1996, recorded on February 20, 1996.

Which six (6) were further assigned by The Bank of New York to Lehman Brothers Holdings Inc. d/b/a Lehman Capital, a division of Lehman Brothers Holdings, Inc. dated August 11, 1997, recorded on December 30, 1997 in Reel 2526, Page 2027.

Parcel IV

1. (i) Mortgage Severance Agreement dated 1/1/93.

(ii)Substitute Note No. 1-A dated as of 1/1/93 made by 1414 Americas Company, Benjamin Duhl and William N. Segal to Principal Mutual Life Insurance Company in the principal amount of $6,424,000.

(iii)Substitute Note No. 1-B dated as of 1/1/93 made by 1414 Americas Company, Benjamin Duhl and William N. Segal to Principal Mutual Life Insurance Company in the principal amount of $876,000.

2.Assignment of Substitute Mortgage No. 1 in the amount of $7,300,000 dated 6/19/96 by and between Principal Mutual Life Insurance Company and The Paul Revere Life Insurance Company recorded _____, 1996 Reel 2339 Page 0368.

3.(i)Mortgage in the amount of $2,700,000 dated 6/19/96 between 1414 Management Associates L.P. and The Paul Revere Life Insurance Company recorded on 6/28/96 in Reel 2339 Page 378.

(ii)Mortgage Note in the amount of $2,700,000 dated 6/19/96 by 1414 Management Associates L.P. and The Paul Revere Life Insurance Company.

4.Mortgage Consolidation and Modification Agreement made by and between 1414 Management Associates, L.P. and The Paul Revere Life Insurance Company dated 6/19/96, and recorded on 6/28/96 in Reel 2339 Page 385 which consolidates above mortgages to form a single lien of $10,000,000.

5.Consolidation of Notes dated 6/19/96 by 1414 Management Associates L.P. and The Paul Revere Life Insurance Company, dated June 19, 1996, recorded June 28, 1996 in Reel 2339, Page 385. which consolidates above notes to form a single note evidencing a principal indebtedness in the amount of $10,000,000.

6.Mortgage Assignment dated 3/27/97 but effective 3/26/97 made by The Paul Revere Life Insurance Company to LSOF Partners XII, L.P, recorded on June 12, 1997 in Reel 2465, Pge 1645..

7. Mortgage Assignment made by LSOF Partners XII, L.P. to Lehman Brothers Holdings Inc. d/b/a Lehman Capital, a division of Lehman Brothers Holdings Inc., dated August 20, 1997, recorded December 23, 1997 on Reel 2525, Page 799.

8. Modification and Spreader Agreement made by and between SL Green Operating Partnership, L.P. and Lehman Brothers Holdings Inc. d/b/a Lehman Capital, a

Division of Lehman Brothers Holdings Inc.

Parcel V

1 .Mortgage in the amount of 2,000,000, dated August 27, 1965, recorded on August 30, 1965 in Liber 6411, MP 446.

2 .Mortgage in the amount of 250,000, dated July 11, 1966, recorded on July 11, 1966 in Liber 84, Page 82.

3. Assignment of Mortgage, dated July 15, 1966, recorded on July 20, 1977, in Liber 84, RP 87.

4. Mortgage in the amount of $250,000, date July 23, 1970, in Reel 179, Page 451.

5. Mortgage in the amount of $1,100,000, dated August 27, 1965, recorded on August 30, 1965, in Liber 6411, Page 451.

6. Assignment of Mortgage, dated June 8, 1971, recorded on June 10, 1971, in Reel 206, Page 1939.

7. Mortgage, in the amount of $537,252.68, dated July 21, 1971, recorded on July 22, 1971, in Reel 211, Page 1505.

8. Mortgage in the amount $9,275,721.21, dated December 30, 1983, recorded on January 10, 1984, in Reel 753, Page 1326.

9. Assignment of Mortgage, dated May 2, 1984, recorded on May 11, 1984 in Reel 792, Page 212.

10. Mortgage in the amount of $10,029,768.62, dated May 2, 1984, recorded on May 11, 1984, Reel 792, Page 239.

11. Mortgage in the amount of $5,500,000, dated June 27, 1985, recorded on July 5, 1985 in Reel 932, Page 1879.

12. Assignment of Mortgage, dated September 14, 1988, recorded on September 27, 1988, in Reel 1470, Page 1697.

13. Mortgage in the amount of $3,500,000 dated September 19, 1988, recorded on September 27, 1988 in Reel 1470, Page 1711, wich mortgage, together with the above mortgages were consolidated to form a single lien in the principal amount of 31,000,000.

Which mortgages, as consolidated, were reduced to the amount of $9,500,000 in a certificate of reduction dated December 29, 1992, recorded on January 7, 1993 in Reel 1934, Page 1149.

Which mortgages, as consolidated, were assigned on December 29, 1992, and recorded on January 7, 1993 in Reel 1934, Page 1156.

Which mortgages were further consolidated by a restated consolidated leasehold mortgage to form single lien of $9,500,000 on December 30, 1992, recorded on January 7, 1993 in Reel 1934, Page 1168.

Which mortgages, as consolidated, were assigned by assignment of mortgage on July 1, 1997, and recorded on July 28, 1997 in Reel 2480, Page 142.

Which mortgages, as consolidated, were assigned by assignment of mortgage on August 13, 1997, recorded on December 23, 1997 in Reel 2525, Page 824.

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DEFINITIONS

The terms set forth below are defined in the following Sections of this Security Instrument:

(A) Additional Security Instruments: Article 23, Section 23.1;

(B) Applicable Laws: Article 3, Subsection 3.10(a);

(C) Attorneys' Fees/Counsel Fees: Article 21, Section 21.1;

(D) Bankruptcy Code: Article 1, Subsection 1.1(b);

(E) Borrower: Preamble and Article 21, Section 21.1;

(F) Business Day: Article 16, Section 16.1;

(G) Restoration Consultant: Article 4, Subsection 4.3(b)(iii);

(H) Retainage: Article 4, Subsection 4.3(b)(iv);

(I) Debt: Article 2, Section 2.1;

(J) Default Rate: Article 10, Section 10.1(t);

(K) Environmental Indemnity: Article 10, Subsection 10.1(k);

(L) Escrow Fund: Article 3, Section 3.5;

(M) Event: Article 20, Section 20.1;

(N) Event of Default: Article 10, Section 10.1;

(O) Existing Mortgages: Recitals;

(P) Existing Notes: Recitals;

(Q) GAAP: Article 3, Subsection 3.11(a);

(R) Improvements: Article 1, Subsection 1.1(c);

(S) Indemnified Parties: Article 13, Section 13.1;

(T) Indemnitor: Article 10, Subsection 10.1(q);

(U) Insurance Premiums: Article 3, Subsection 3.3(b);

(V) Land: Article 1, Subsection 1.1(a);

(W) Lease Guaranty: Article 3, Subsection 3.7(a);

(X) Leased Land: Article 1, Subsection 1.1(b);

(Y) Leases: Article 1, Subsection 1.1(f);

(Z) Lender: Preamble and Article 21, Section 21.1;

(AA) Lockbox Account: Article 4, Section 4.4;

(BB) Losses: Article 13, Section 13.1;

(CC) Net Proceeds: Article 4, Subsection 4.3(b);

(DD) Net Proceeds Deficiency: Article 4, Subsection 4.3(b)(vi);

(EE) Note: Recital C and Article 21, Section 21.1;

(FF) Obligations: Article 2, Section 2.3;

(GG) Other Charges: Article 3, Subsection 3.4(a);

(HH) Other Obligations: Article 2, Section 2.2;

(II) Other Security Documents: Article 3, Section 3.2;

(JJ) Owner: Article 1, Subsection 1.1(b);

(KK) Partnership: Preamble;

(LL) Permitted Exceptions: Article 5, Section 5.1;

(MM) Person: Article 21, Section 21.1;

(NN) Personal Property: Article 1, Subsection 1.1(e);

(OO) Policies/Policy: Article 3, Subsection 3.3(b);

(PP) Property: Article 1, Section 1.1 and Article 21, Section 21.1;

(QQ) REIT: Article 5, Section 5.5;

(RR) Rents: Article 1, Subsection 1.1(f);

(SS) Restoration: Article 3, Subsection 3.3(h);

(TT) Security Deposits: Article 3, Subsection 3.7(c);

(UU) Security Instrument: Recital B;

(VV) Taxes: Article 3, Subsection 3.4(a);

(WW) Uniform Commercial Code: Article 1, Subsection 1.1(e)

PLEDGE AND SECURITY AGREEMENT

THIS PLEDGE AND SECURITY AGREEMENT (this "Agreement") dated as of March 20, 1998, is made by and between SL GREEN OPERATING PARTNERSHIP, L.P., a Delaware limited partnership (the "Partnership") having its principal place of business at 70 West 36th Street, New York, New York 10018 and LEHMAN BROTHERS HOLDINGS INC. d/b/a LEHMAN CAPITAL, A DIVISION OF LEHMAN BROTHERS HOLDINGS INC., a Delaware corporation having its principal place of business at Three World Financial Center, 200 Vesey Street, New York, New York 10285 (hereinafter referred to as the "Lender").

R E C I T A L S:

A. The Partnership, by that certain Consolidated Amended and Restated Promissory Note of even date herewith, is indebted to the Lender in the principal sum of $275,000,000.00, or so much thereof as may be advanced and unpaid, in lawful money of the United States of America (the note, together with all extensions, renewals, modifications, substitutions and amendments thereof shall collectively be referred to as the "Note"), with interest from the date thereof at the rates set forth in the Note, principal and interest to be payable in accordance with the terms and conditions provided in the Note and that certain Loan Agreement dated as of the date hereof between the Partnership and the Lender (as amended, restated, supplemented or otherwise modified from time to time, the "Loan Agreement").

B. The Partnership has a Membership Interest (as hereinafter defined) equal to one hundred percent (100%) of SLG Graybar 2 LLC (the "Company").

C. As a condition to the Lender's making the loan as evidenced by the Note, the Partnership is required to pledge and grant a security interest in the Collateral (as hereinafter defined) as security for the Secured Obligations (as hereinafter defined).

NOW THEREFORE, to induce the Lender to enter into the Loan Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Definitions. Capitalized terms used herein and not otherwise defined herein have the meanings assigned to them in the Loan Agreement. In addition, as used herein:

"Collateral" shall have the meaning assigned to such term in Section 3 hereof.

"Distribution" shall mean, with respect to the Company, a transfer of Property to a Member on account of a Membership Interest.

"Economic Interest" shall mean, with respect to the Company, the right to receive allocations of Profit and Loss, Distributions, returns of capital and distributions of assets upon a dissolution of the Company.

"Event of Default" shall mean the occurrence of an Event of Default under the Loan Agreement and any breach of representation or warranty or violation or noncompliance with any term, covenant or condition of this Agreement including, without limitation, Sections 2, 5 and 6 hereof.

"Management Right" shall mean, with respect to the Company, the right of a Member to participate in the management of the Company, to vote on any matter, and to grant or withhold consent or approval of action on behalf of the Company.

"Member" shall mean, with respect to the Company, the members executing the Operating Agreement.

"Membership Interest" shall mean, with respect to the Company, a Member's Economic Interest and Management Right.

"Operating Agreement" shall mean, with respect to the Company, the Operating Agreement of the Company as the same may have been modified or amended.

"Profit and Loss" shall mean, with respect to the Company, the net profit and net loss of the Company as computed in accordance with GAAP with respect to any fiscal period of the Company.

"Property" shall many any property, real or personal, tangible or

intangible, including money, and any legal or equitable interest in such property.

"Records" shall have the meaning assigned to such term in Section 2(a) hereof.

"Secured Obligations" shall mean all of the obligations under the Note, the Loan Agreement, the Security Instrument and all of the other Loan Documents.

"Uniform Commercial Code" shall mean the Uniform Commercial Code as in effect from time to time in the State of New York or, as the context may require, in effect in the state or states where any of the Collateral is located.

Section 2. Representations and Warranties. The Partnership represents and warrants to the Lender that:

(a) The chief place of business and chief executive office of the Partnership and the office where the Partnership keeps its records concerning the Collateral (hereinafter, collectively the "Records") and the original copies of the Operating Agreement are located, is at 70 West 36th Street, New York, New York 10018.

(b) The Partnership is a limited partnership duly organized, validly existing and in good standing under the laws of the State of Delaware and is duly qualified to do business and is in good standing in all other places where necessary in light of the business it conducts and the property it owns and intends to conduct and own and in light of the transactions contemplated by this Agreement. No filing, recording, publishing or other act that has not been made or done is necessary or desirable in connection with the existence or good standing of the Partnership or the conduct of its business.

(c) The Partnership has the full power, authority and legal right to execute, deliver and perform its obligations under this Agreement and the Operating Agreement. The execution, delivery and performance by the Partnership of this Agreement and the Operating Agreement and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all necessary partnership action. Each of this Agreement and the Operating Agreement has been duly executed and delivered by the Partnership, has not been amended or otherwise modified, is in full force and effect and is the legal, valid and binding obligation of the Partnership, enforceable against the Partnership in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the rights of creditors generally and to the application of general principles of equity (regardless of whether considered in a proceeding in equity or at law), including, without limitation, (i) the possible unavailability of specific performance, injunctive relief or any other equitable remedy and (ii) concepts of materiality, reasonableness, good faith and fair dealing. The Partnership is not in default in the performance of any covenant or obligation set forth in the Operating Agreement or, to the best of the Partnership's knowledge, in any Loan Document to which it is a party.

(d) The Partnership is the sole beneficial owner of the Collateral pledged by it under Section 3 hereof, free and clear of all claims, mortgages, pledges, liens, security interests and other encumbrances of any nature whatsoever (and no right or option to acquire the same exists in favor of any other person or entity), except for the assignment, pledge and security interest in favor of the Lender created or provided for herein, and agrees that it will not encumber or grant any security interest in or with respect to the Collateral or permit any of the foregoing.

(e) The pledge and security interest hereunder in favor of the Lender constitutes a first priority pledge and security interest in and to all of the Collateral pledged by the Partnership hereunder.

(f) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated herein will conflict with or result in a breach of, or require any consent under, any applicable law or regulation, or any order, writ, injunction or decree of any court or governmental authority or agency, or any agreement or instrument to which the Partnership is a party or by which the Partnership or the Partnership's property is bound or to which the Partnership is subject, or constitute a default under any such agreement or instrument, or (except for the liens created pursuant hereto) result in the creation or imposition of any lien or encumbrance upon any of the Partnership's revenues or assets pursuant to the terms of any such agreement or instrument.

(g) No authorizations, approvals or consents of, and no filings or registrations with, any governmental or regulatory authority or agency are necessary for the execution, delivery or performance by the Partnership of this Agreement or the Operating Agreement.

(h) There is no action, suit or proceeding at law or in equity by or before any government authority, arbitral tribunal or other body now

pending, or to the best knowledge of the Partnership, threatened against or affecting the Company, the Partnership or any of their respective property or the Collateral which could have a material adverse effect on such party's condition, financial or otherwise.

(i) The Partnership is not (i) an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, or an "investment advisor" within the meaning of the Investment Company Act of 1940 or (ii) an "electric utility company", a "holding company" or either a "subsidiary company" or an "affiliate" of a "holding company" as such terms are defined in the Public Utility Holding Company Act of 1935.

(j) The sole Member of the Company is the Partnership.

Section 3. Collateral. As collateral security for the prompt payment in full when due (whether at stated maturity, by acceleration or otherwise) of the Secured Obligations, the Partnership hereby pledges, assigns, hypothecates and transfers to the Lender, and hereby grants to the Lender, a lien on and security interest in, all of the Partnership's right, title and interest in, to and under the following, whether now owned by the Partnership or hereafter acquired and whether now existing or hereafter coming into existence and wherever located (all being collectively referred to herein as "Collateral"):

(a) its Membership Interest in the Company, including, without limitation, all of its right, title and interest in, to and under the Operating Agreement of the Company, including, without limitation, (i) all rights of the Partnership to receive moneys due but unpaid and to become due under or pursuant to the Operating Agreement, (ii) all rights of the Partnership to participate in the operation or management of the Company and to take actions or consent to actions in accordance with the provisions of the Operating Agreement, (iii) all rights of the Partnership to property of the Company, (iv) all rights of the Partnership to receive proceeds of any insurance, bond, indemnity, warranty or guaranty with respect to the Operating Agreement, (v) all claims of the Partnership for damages arising out of or for breach of or default under the Operating Agreement and (vi) all rights of the Partnership to terminate, amend, supplement, modify or waive performance under the Operating Agreement, to perform thereunder and to compel performance and otherwise to exercise all remedies thereunder;

(b) all certificates, if any, representing the Partnership's Membership Interest or a distribution or return of capital upon or with respect to its interest in the Company or resulting from a split-up, revision, reclassification or other like change of the Membership Interest or otherwise received in exchange therefor, and any subscription warrants, rights or options issued to the holders of, or otherwise in respect of, the Membership Interest;

(c) to the extent not included in the foregoing, all proceeds, products, rents, revenues, issues, profits, royalties, income, benefits, accessions, additions, substitutions and replacements of and to any and all of the foregoing.

Section 4. Provisions Concerning Uncertificated Securities. With respect to any portion of the Collateral (including without limitation any Membership Interest) which may now or hereafter be deemed to be "uncertificated securities" under the Uniform Commercial Code, it is the Partnership's intent to grant to Lender a perfected security interest in such Collateral both by filing and by "control," as contemplated by Section 47-9115 of the Uniform Commercial Code. Accordingly, the Partnership, the Lender and the Company hereby agree as follows:

(a) New York law and the provisions of the Uniform Commercial Code shall govern the pledge of and security interest granted in such Collateral, the perfection of the security interest, the effect of perfection, the priority of the security interest, and all related matters concerning this Agreement.

(b) The Company hereby agrees to honor any directives or instructions received from the Lender with respect to the transfer or other disposition of any Membership Interest without the need for any authorization or consent from the Partnership, to the same extent as if the Lender, rather than Partnership, was the actual owner of the Membership Interest. The Partnership hereby expressly consents to Lender's receipt and exercise of such rights.

(c) Nothing in the foregoing subsection (b) shall limit or reduce any rights of the Partnership with respect to any Membership Interest, subject in all respects to the other terms and provisions of this Agreement.

(d) The parties agree that the Company shall deliver to the Lender a "Transaction Statement" acceptable to the Lender evidencing the notation of the pledge of such Company's Membership Interests purusant to this Agreement.

Section 5. Covenants. The Partnership covenants and agrees:

(a) The Partnership shall not (i) cancel or terminate the Operating Agreement or consent to or accept any cancellation or termination thereof, (ii) amend, supplement or otherwise modify the Operating Agreement (as in effect on the date hereof and as thereafter amended, modified or supplemented with the consent of the Lender) or consent to same or (iii) petition, request or take any other legal or administrative action that seeks, or may reasonably be expected, to rescind, terminate, amend, modify or suspend the Operating Agreement or consent to same.

(b) The Partnership shall preserve and maintain its existence as a Delaware limited partnership and all of its licenses, rights, privileges and franchises that are necessary or desirable for the fulfillment of its obligations under this Agreement, the Operating Agreement and each other Loan Document to which it is or is intended to be a party.

(c) The Partnership shall pay and discharge all taxes now or hereafter imposed on it, on its income or profits, on any of its property or upon the liens provided for herein prior to the date on which penalties attach thereto; the Partnership shall promptly pay any valid, final judgment enforcing any such tax and cause the same to be satisfied of record and it shall also pay, or cause to be paid, when due all claims for labor, material, supplies or services that, if unpaid, could by law result in a mechanics' lien.

(d) The Partnership shall not create, incur, assume or suffer to exist any lien upon any of the Collateral.

(e) The Partnership shall notify the Lender promptly upon obtaining knowledge of any action, suit or proceeding at law or in equity by or before any government authority, arbitral tribunal or other body pending or threatened against the Company or the Partnership which could result in a Material Adverse Effect (as defined in the Loan Agreement) on the Company's or the Partnership's condition, financial or otherwise.

(f) The Partnership shall not sell, assign, transfer or otherwise dispose of all or any part of its Membership Interest in the Company, or consent to the creation of any Membership Interest in the Company without the prior consent of the Lender.

(g) The Partnership shall not without the prior consent of the Lender voluntarily withdraw as the managing member of the Company.

(h) The Partnership shall not take or consent to any action to terminate, dissolve or liquidate the Company or commence or consent to the commencement of any proceeding seeking the termination, dissolution or liquidation of the Company.

(i) Promptly after the Partnership knows or has reason to believe that any Default or Event of Default has occurred, the Partnership shall deliver to the Lender notice of such event describing the same in reasonable detail together with, or as soon thereafter as possible, a written description of the action that the Partnership has taken or proposes to take with respect thereto.

Section 6. Further Assurances; Remedies. In furtherance of the grant of the pledge and security interest pursuant to Section 3 hereof, the Partnership hereby agrees with the Lender as follows:

6.1 Delivery and Other Perfection. The Partnership shall:

(a) if any of the above-described ownership interests, shares, securities, moneys, property or Membership Interests required to be pledged by the Partnership under Section 3 hereof is received by the Partnership after the occurrence and during the continuance of an Event of Default, forthwith either (i) transfer and deliver to the Lender such interests, money and property so received by the Partnership, all of which thereafter shall be held by the Lender, pursuant to the term of this Agreement, as part of the Collateral or (ii) take such other action as the Lender shall deem necessary or appropriate to duly record the Lien created hereunder in such ownership interests, moneys, property or Membership Interests in said clauses;

(b) give, execute, deliver, file and/or record any financing statement, continuation statement, notice, instrument, document, agreement or other papers that may be necessary or desirable (in the reasonable judgment of the Lender) to create, preserve, perfect or validate the security interest granted pursuant hereto or to enable the Lender to exercise and enforce its rights hereunder with respect to such pledge and security interest, including, without limitation, after the occurrence and during the continuance of an Event of Default, causing any or all of the Collateral to be transferred of record into the name of the Lender or its nominee (and the Lender agrees that if any Collateral is transferred into its name or the name of its nominee, it will thereafter promptly give to the Partnership copies of any notices and communications received by it with respect to the Collateral). Without limiting the generality of the foregoing, the Partnership shall, after the occurrence and during the continuance of an Event of Default, if any Collateral shall be evidenced by a promissory note or other instrument, deliver and pledge to the Lender such note or instrument duly endorsed or accompanied by duly executed instruments of transfer or assignment, all in form and substance reasonably satisfactory to the

Lender;

(c) maintain, hold and preserve full and accurate Records, and stamp or otherwise mark such Records in such manner as the Lender may reasonably require in order to reflect the security interests granted by this Agreement; and

(d) permit representatives of the Lender, upon reasonable notice, at any time during normal business hours to inspect and make abstracts from its Records, and permit representatives of the Lender to be present at the Partnership's place of business to make copies of all communications and remittances relating to the Collateral, and forward copies of any notices or communications received by the Partnership with respect to the Collateral, all in such manner as the Lender may require.

6.2 Other Financing Statements and Liens. Without the prior consent of the Lender, the Partnership shall not file or suffer to be on file, or authorize or permit to be filed or to be on file, in any jurisdiction, any financing statement or like instrument with respect to the Collateral in which the Lender is not named as the sole Lender.

6.3 Preservation of Rights. The Lender shall not be required to take any steps necessary to preserve any rights against prior parties to any of the Collateral.

6.4 Collateral.

(a) So long as no Event of Default shall have occurred and be continuing, the Partnership shall have the right to (i) exercise all voting, consensual and other powers of ownership pertaining to the Collateral for all purposes not inconsistent with the terms of this Agreement, the Loan Agreement and other Loan Documents, provided that the Partnership agrees that it will not vote the Collateral in any manner that is inconsistent with the terms of this Agreement, the Loan Agreement and other Loan Documents; and the Lender shall execute and deliver to the Partnership or cause to be executed and delivered to the Partnership all such proxies, powers of attorney, dividend and other orders, and all such instruments, without recourse, as the Partnership may reasonably request for the purpose of enabling the Partnership to exercise the rights and powers which it is entitled to exercise pursuant to this Section 6.4(a), and (ii) receive and retain any and all cash (and cash equivalents) dividends or distributions paid on the Collateral, provided that any liquidating distributions resulting from the sale, exchange or disposition of any of the Property owned by the Company shall become part of the Collateral and, if received by the Partnership, shall be held for the benefit of Lender, subject to the terms of this Agreement and the Loan Agreement.

(b) Any provisions of the Operating Agreement restricting the transferability of the Membership Interests in the Company shall not apply to the exercise by the Lender of any of its rights and remedies under any Loan Document or to any sale, assignment, transfer or other disposition by the Lender of all or any part of any Membership Interest in the Company. The Partnership hereby consents to the admission of the Lender as a Member in the Company pursuant to the exercise of the Lender's rights and remedies pursuant to this Agreement or any other Loan Document.

6.5 Events of Default. During the period during which an Event of Default shall have occurred and be continuing:

(a) the Lender shall (i) have all of the rights and remedies with respect to the Collateral of a Lender under the Uniform Commercial Code (whether or not said Code is in effect in the jurisdiction where the rights and remedies are asserted) and such additional rights and remedies to which a Lender is entitled under the laws in effect in any jurisdiction where any rights and remedies hereunder may be asserted, including, without limitation, the right, to the maximum extent permitted by law, to exercise all voting, consensual and other powers of ownership pertaining to the Collateral as if the Lender were the sole and absolute owner thereof (and the Partnership agrees to take all such action as may be appropriate to give effect to such right) and (ii) receive and retain any and all cash (and cash equivalents) dividends or distributions paid on the Collateral, provided that any liquidating distributions resulting from the sale, exchange or disposition of any of the Property owned by the Company shall become part of the Collateral and, if received by the Partnership, shall be held for the benefit of Lender, subject to the terms of this Agreement and the Loan Agreement.

(b) the Lender may make any reasonable compromise or settlement deemed desirable with respect to any of the Collateral and may modify the terms of, any of the Collateral;

(c) the Lender may, in its name or in the name of the Partnership or otherwise, demand, sue for, collect or receive any money or property at any time payable or receivable on account of or in exchange for any of the Collateral, but shall be under no obligation to do so; and

(d) the Lender may, upon ten days' prior notice to the Partnership of the time and place, with respect to the Collateral or any part

thereof which shall then be or shall thereafter come into the possession, custody or control of the Lender or any of its agents, sell, lease, assign or otherwise dispose of all or any part of such Collateral, at such place or places as the Lender deems best, and for cash or for credit or for future delivery (without thereby assuming any credit risk), at public or private sale, without demand of performance or notice of intention to effect any such disposition or of the time or place thereof (except such notice as is required above or by applicable statute and cannot be waived), and any Person may be the purchaser, lessee, assignee or recipient of any or all of the Collateral so disposed of at any public sale (or, to the extent permitted by law, at any private sale) and thereafter hold the same absolutely, free from any claim or right of whatsoever kind, including any right or equity of redemption (statutory or otherwise), of the Partnership, any such demand, notice and right or equity being hereby expressly waived and released. The Lender may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for the sale, and such sale may be made at any time or place to which the sale may be so adjourned.

The proceeds of each collection, sale or other disposition under this Section 6.5 shall be applied in accordance with Section 6.8 hereof.

The Partnership recognizes that, by reason of certain prohibitions contained in the Securities Act of 1933, as amended, and applicable state securities laws, the Lender may be compelled, with respect to any sale of all or any part of the Collateral which constitutes a "security" under the Securities Act of 1933, as amended, to limit purchasers to those who will agree, among other things, to acquire tment and not with a view to the distribution or resale thereof. The Partnership acknowledges that any such private sale may be at prices and on terms less favorable to the Lender than those obtainable through a public sale without such restrictions, and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner and that Lender shall not have any obligation to engage in public sales and no obligation to delay the sale of any such Collateral for the period of time necessary to permit the respective issuer thereof to register it for public sale.

6.6 Removals. Without at least 30 days' prior notice to the

Lender, the Partnership shall not maintain any of its books and records with respect to the Collateral pledged by it hereunder at any office or maintain its principal place of business at any place other than at the address set forth in Section 2(a).

6.7 Private Sale. Lender shall not incur any liability as a result
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of the sale of the Collateral, or any part thereof, at any private sale pursuant to Section 6.5 hereof conducted in a commercially reasonable manner. The Partnership hereby waives any claims against Lender by reason of the fact that the price at which the Collateral may have been sold at such a private sale was less than the price which might have been obtained at a public sale or was less than the aggregate amount of the Secured Obligations.

6.8 Application of Proceeds. Except as otherwise herein expressly
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provided, the proceeds of any collection, sale or other realization of all or any part of the Collateral pursuant hereto, and any other cash at the time held by the Lender under this Section 6, shall be applied by the Lender in accordance with the Loan Agreement. As used in this Section 6, "proceeds"
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of Collateral shall mean cash, securities and other property realized in respect of, and distributions in kind of, Collateral, including any thereof received under any reorganization, liquidation or adjustment of debt of the Partnership or any issuer of or obligor on any of the Collateral.

6.9 Attorney-in-Fact. Without limiting any rights or powers
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granted by this Agreement to the Lender while no Event of Default has occurred and is continuing, upon the occurrence and during the continuance of any Event of Default, the Lender is hereby appointed the attorney-in-fact of the Partnership for the purpose of carrying out the provisions of this Section 6 and taking any action and executing any instruments which the Lender may deem necessary or advisable to accomplish the purposes hereof, which appointment as attorney-in-fact is irrevocable and coupled with interest. Without limiting the gs in respect of the Collateral, the Lender shall have the right and power to receive, endorse and collect all checks made payable to the order of the Partnership representing any distribution or other payment in respect of the Collateral or any part thereof and to give full discharge for the same.

6.10 Termination. When all of the Secured Obligations shall have
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been paid in full, this Agreement shall terminate and the Lender shall forthwith cause to be assigned, transferred and delivered, against receipt but without any recourse, warranty or representation whatsoever, any remaining Collateral and money received in respect thereof, to or on the order of the Partnership.

6.11 Expenses. The Partnership agrees to pay to Lender all
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out-of-pocket expenses (including reasonable expenses for legal services of every kind) of, or incident to, the enforcement of any of the provisions of

this Section 6, or performance by the Lender of any obligations of the Partnership in respect of the Collateral which the Partnership has failed or refused to perform, or any actual or attempted sale, or any exchange, enforcement, collection, compromise or settlement in respect of any of the Collateral, and for the care of the Collateral and defending or asserting rights and claims of the Lender in respect thereof, by litigation or otherwise, and all such expenses shall be Secured Obligations to the Lender secured under Section 3 hereof.

6.12 Intentionally Deleted.

Section 7. Miscellaneous.

7.1 No Implied Waiver. No failure on the part of Lender or any of its agents to exercise and no delay in exercising, and no course of dealing with respect to, any right, power or remedy hereunder shall operate as a waiver thereof, and no single or partial exercise by Lender or any of its agents of any right, power or remedy hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies provided herein are cumulative and are not exclusive of any remedies provided by law.

7.2 Notices. All notices, requests and other communications provided for herein (including, without limitation, any modifications of, or waivers or consents under, this Agreement) shall be given or made in accordance with the provisions of the Loan Agreement.

7.3 Amendments. This Agreement may be amended or modified only by an instrument in writing signed by the Partnership and the Lender, and any provision of this Agreement may be waived, in writing, by the Lender. Any waiver shall be effective only in the specific instance and for the specified purpose for which it was given.

7.4 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the Partnership and the Lender (provided, however, that the Partnership shall not assign or transfer its rights and obligations hereunder without the prior written consent of the Lender).

7.5 Counterparts. This Agreement may be executed in any number of counterparts, all of which when taken together shall constitute one and the same instrument and any of the parties hereto may execute this Agreement by signing any such counterpart.

7.6 Agents. The Lender may employ agents and attorneys-in-fact in connection herewith and shall not be responsible for the negligence or misconduct of any such agents or attorneys-in-fact selected by it in good faith.

7.7 Severability. If any provision hereof is invalid or unenforceable in any jurisdiction, then, to the fullest extent permitted by law, (a) the other provisions hereof shall remain in full force and effect in such jurisdiction and shall be liberally construed in favor of Lender in order to carry out the intentions of the parties hereto as nearly as may be possible and (b) the invalidity or unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction.

7.8 Headings. Headings appearing herein are used solely for convenience of reference and are not intended to affect the interpretation of any provision of this Agreement.

7.9 Further Assurances. The Partnership agrees to do such further acts and things and to pay the reasonable costs and expenses in connection with such acts, and to execute and deliver or cause to be executed and delivered such additional documentation, additional conveyances, assignments, and similar instruments, as the Lender may at any time reasonably request in connection with the administration and enforcement of this Agreement or with respect to the Collateral or any part thereof or in order better to assure and confirm unto the Lender its rights and remedies hereunder or to further effectuate the purposes of this Agreement, including without limitation to perfect or maintain the perfection or first priority nature of the assignment and security interest granted hereby and to grant and to perfect a security interest in any additional interest the Partnership acquires in the Company during the term of the Loan Agreement. The Partnership agrees that, where permitted under applicable law, a carbon, photographic, or other reproduction of this Agreement or of a financing statement is sufficient as a financing statement.

7.10 Acknowledgement by the Company. The Company by executing this Agreement, hereby acknowledges the security interest of and the rights of the

Lender under this Agreement and agree to the transfers of the Partnership's interest in the Company to Lender made or to be made under or pursuant to this Agreement.

7.11 Submission to Jurisdiction. Any legal action or proceeding with respect to this Agreement and any action for enforcement of any judgment in respect thereof may be brought in the courts of the State of New York or of the United States of America for the Southern District of New York, and, by execution and delivery of this Agreement, the Partnership hereby accepts for itself and in respect of its property, generally and unconditionally, the non-exclusive jurisdiction of the aforesaid courts and appellate courts from any thereof. The Partnership hereby irrevocably waives any objection which it may now or hereafter have to the laying of venue of any of the aforesaid actions or proceedings arising out of or in connection with this Agreement brought in the courts referred to above and hereby further irrevocably waives and agrees not to plead or claim in any such court that any such action or proceeding brought in any such court has been brought in an inconvenient forum. Nothing herein shall affect the right of Lender to serve process in any other manner permitted by law or to commence legal proceedings or otherwise proceed against the Partnership in any other jurisdiction.

7.12 Governing Law. This Agreement shall be deemed to be a contract entered into pursuant to the laws of the State of New York and shall in all respects be governed, construed, applied and enforced in accordance with the laws of the State of New York.

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

SL GREEN OPERATING PARTNERSHIP, L.P., a Delaware limited partnership

By: SL GREEN REALTY CORP., a Maryland corporation, its general partner

By: /s/ David J. Nettina

David J. Nettina
Chief Financial Officer

By: /s/ Benjamin P. Feldman

Benjamin P. Feldman
Executive Vice President

LEHMAN BROTHERS HOLDINGS INC. D/B/A LEHMAN CAPITAL, A DIVISION OF LEHMAN BROTHERS HOLDINGS INC., a Delaware corporation

By: /s/ Francis Gilhool

Name:
Title:

ACKNOWLEDGED AND AGREED:

SLG GRAYBAR 2 LLC, a New York limited liability company

By: SL GREEN OPERATING PARTNERSHIP, L.P.,
a Delaware limited partnership, its sole member

By: SL GREEN REALTY CORP., a Maryland corporation,
its general partner

By: /s/ David J. Nettina

David J. Nettina
Chief Financial Officer

By: /s/ Benjamin P. Feldman

Benjamin P. Feldman
Executive Vice President

ASSIGNMENT OF MORTGAGE

KNOW THAT SL GREEN OPERATING PARTNERSHIP, L.P., a Delaware limited partnership ("Assignor") having its principal place of business at 70 West 36/th/ Street New York, New York 10018

ASSIGNOR,

in consideration of Ten Dollars ($10.00) and other lawful consideration

paid by LEHMAN BROTHERS HOLDINGS INC., d/b/a Lehman Capital, a division of Lehman Brothers Holdings Inc., a Delaware corporation ("Assignee") having an address at Three World Financial Center, New York, New York 10285

ASSIGNEE,

hereby assigns unto the assignee in accordance with, and subject to, the terms of that certain Security Agreement, dated the date hereof, between Assignor and Assignee (the "Security Agreement"), those certain mortgages as more particularly described on Exhibit A attached hereto and made part hereof
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(collectively, the "Mortgage"), and covering the premises known as 35 West 43rd Street and 34-36 West 44th Street, New York, New York;

TOGETHER with the bonds or notes or obligations described in the Mortgage, and the monies due and to grow due thereon with the interest;

TO HAVE AND TO HOLD the same unto Assignee and to the successors, legal representatives and assigns of assignee forever.

The Assignor hereby states, upon knowledge, that the Assignee is not acting as a nominee of the mortgagor under the Mortgage and that the Mortgage continues to secure a bona fide obligation.

IT IS EXPRESSLY UNDERSTOOD AND AGREED that this Assignment is made without any recourse to, and without any covenant or warranty, express or implied, by the assignor in any event whatsoever, except as expressly set forth in the aforesaid Security Agreement and the Loan Agreement (as defined in the Security Agreement).

The word "assignor" or "assignee" shall be construed as if it read "assignors" or "assignees" whenever the sense of this instrument so requires.

IN WITNESS HEREOF, the assignor has duly executed this Assignment as of the 20th day of March, 1998.

SL GREEN OPERATING PARTNERSHIP, L.P., a Delaware limited partnership

By: SL Green Realty Corp., a Maryland corporation, its general partner

By: /s/ David J. Nettina

David J. Nettina
Chief Financial Officer

By: /s/ Benjamin P. Feldman

Benjamin P. Feldman
Executive Vice President

ACKNOWLEDGMENT

(To Be Attached)

EXHIBIT A
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1. Mortgage, dated as of March 2, 1983, in the principal sum of $3,768,000.00 given by Bar Building Associates Joint Venture ("Borrower") to Chase Manhattan Bank, N.A. ("Chase") and recorded on March 11, 1983, in the New York County Register's Office in Reel 672, Page 567, upon which a tax of $84,780.00 was duly paid and the note secured thereby ("Mortgage 1").

   a. Mortgage 1 was modified and spread pursuant to a Mortgage Modification and Spreader Agreement, dated as of April 13, 1983, entered into between Borrower, Lawplaza, Inc. ("Lawplaza") and Chase, recorded in the Register's Office on May 2, 1983 in Reel 683, Page 795. The Mortgage Modification and Spreader Agreement spreads the lien of Mortgage 1 to cover the leasehold estate in Block 1259 Lot 117 as evidenced by instrument recorded in the Register's Office in Reel 552, page 1531.

2. Mortgage, dated March 2, 1983, in the principal sum of $1,800,000.00 given by Borrower to Chase and recorded in the New York County Register's Office on March 11, 1983, in Reel 672, Page 600, upon which a tax of $40,500.00 was duly paid and the note secured thereby ("Mortgage

2").

a. Mortgage 2 was modified and spread pursuant to a Mortgage Modification and Spreader Agreement, dated as of April 13, 1983, entered into between Borrower, Lawplaza and Chase, recorded in the Register's Office on May 2, 1983 in Reel 683, Page 808. The Mortgage Modification and Spreader Agreement spreads the lien of Mortgage 2 to cover the Leasehold Estate in Block 1259 Lot 117 as evidenced by instrument recorded in the New York County Register's Office in Reel 552, Page 1531.

3. Mortgage, dated as of March 2, 1983, in the principal sum of $3,700,000.00 given by Borrower to Chase and recorded in the New York County Register's Office on March 11, 1983 in Reel 672, Page 632, upon which a tax of $83,250.00 was duly paid and the note secured thereby ("Mortgage 3").

a. Mortgage 3 was modified and spread pursuant to a Mortgage Modification and Spreader Agreement, dated as of April 13, 1983, entered into between Borrower, Lawplaza and Chase and recorded in the Register's Office on May 2, 1983 in Reel 683, Page 821. The Mortgage Modification and Spreader Agreement spreads the lien of Mortgage 3 to cover the leasehold estate in Block 1259 Lot 117, as evidenced by instrument recorded in the Register's Office in Reel 552, Page 1531.

b. Mortgages 1, 2 and 3 as modified and spread, were assigned pursuant to an Assignment of Mortgage, dated June 21, 1984, given by Chase to The Bowery Savings Bank ("Bowery") and recorded in the New York County Register's Office on June 28, 1984, in Reel 808, Page 1146.

c. Mortgages 1, 2 and 3 as modified, spread and assigned, were consolidated and spread pursuant to a Consolidation and Spreader Agreement, dated June 22, 1984, entered into between Madara Associates ("Madara") and Patrent Associates ("Patrent"), together doing business as Borrower, and Bowery, and recorded in the New York County Register's Office on June 28, 1984 in Reel 808, Page 1197, on which a mortgage tax of $0 was duly paid (the "Consolidation Agreement"). The Consolidation Agreement consolidates Mortgages 1 through 3 to form a single lien of $8,500,000.00 and spreads Mortgages 1 through 3 to cover the fee estate of Block 1259 Lot 15, as evidenced by an instrument recorded in the Register's Office in Reel 672, Page 520.

d. Mortgages 1, 2 and 3, as so consolidated were further assigned pursuant to an Assignment of Mortgage, dated July 24, 1986, given by Bowery to The Travelers Insurance Company and recorded in the New York County Register's Office on August 7, 1986, in Reel 1100, Page 1385.

4. Mortgage, dated June 22, 1984, in the principal sum of $10,000,000.00 given by Madara and Patrent, together doing business as Borrower, and Lawplaza, to The Association of the Bar of the City of New York ("Association"), and recorded in the New York County Register's Office on June 28, 1984, in Reel 808, Page 1186 upon which a tax of $225,000.00 was duly paid and the note secured thereby ("Mortgage 4").

a. Mortgage 4 was collaterally assigned pursuant to an Assignment of Mortgage, dated November 19, 1984, given by the Association to Morgan Guaranty Trust Company of New York ("Morgan"), and recorded in the New York County Register's Office on March 12, 1985 in Reel 885, Page 1163.
Mortgage 4 was assigned pursuant to an Assignment of Mortgage, dated August 1, 1986, given by Morgan and the Association to The Travelers Insurance Company, and recorded in the New York County Register's Office on August 7, 1986 in Reel 1100, Page 1381.

5. Mortgage, dated July 30, 1986, in the principal sum of $7,750,000.00 given by Borrower to The Travelers Insurance Company and recorded in the New York County Register's Office on August 7, 1986, in Reel 1100, Page 1390 upon which a tax of $174,375.00 was duly paid and the note secured thereby ("Mortgage 5").

a. Mortgages 1 through 5 were consolidated and spread pursuant to that certain Spreader, Consolidation and Modification Agreement (the "Spreader, Consolidation and Modification Agreement"), dated July 30, 1986, between Madara and Patrent, together doing business as Borrower, and The Travelers Insurance Company, and recorded in the New York County Register's Office on August 7, 1986 in Reel 1100, Page 1401. By which Spreader, Consolidation and Modification Agreement, Mortgages 1 through 5 were consolidated to form a single lien in the sum of $26,250,000.00.

b. Release of part of mortgaged premises made by The Travelers Insurance Company, dated April 8, 1992, and recorded in the New York County Register's Office on April 14, 1992 in Reel 1862, Page 1475. This releases the fee of Block 1259 Lot 117 from the lien of Mortgage 4.

c. Said Spreader, Consolidation and Modification Agreement was amended pursuant to a certain First Amendment to Agreement of Spreader, Consolidation and Modification of Mortgage, between Madara and Patrent, together doing business as Borrower and The Travelers Insurance Company (the "First Amendment to Spreader, Consolidation and Modification Agreement"), dated April 8, 1992, and recorded in

the New York County Register's Office on April 14, 1992 in Reel 1862, Page 1479.

d. A Modification and Spreader Agreement was made by and between The Travelers Insurance Company and Borrower and Lawplaza, dated as of April 8, 1992, and recorded in the New York County Register's Office on April 14, 1992 in Reel 1862, Page 1530.

e. The foregoing was further modified and spread pursuant to a certain Modification and Spreader Agreement among The Travelers Insurance Company, Borrower and Lawplaza, dated as of April 8, 1992, and recorded in the New York County Register's Office on April 14, 1992 in Reel 1862, Page 1552.

f. The foregoing was further reduced, modified and severed pursuant to a certain Agreement of Reduction, Modification and Severance among The Travelers Insurance Company, Borrower and Lawplaza, dated as of June 28, 1996, and recorded in the New York County Register's Office on July 10, 1996 in Reel 2342, Page 1157; and by which the lien of Mortgages 1 through 5, as amended, modified, severed and reduced, was split into two liens of: (i) $15,000,000.00, as evidenced by Mortgages 1 through 5, as modified; and (ii) $3,000,000.00 as evidenced by that certain mortgage, dated June 28, 1996, and more particularly described below as "Second Mortgage".

6. Which lien of $15,000,000.00 and the notes secured thereby was assigned by The Travelers Insurance Company to Praedium Bar LLC, by Assignment of Mortgage, dated September 30, 1996, and recorded October 11, 1996, in the New York County Register's Office, in Reel 2380, Page 1854.

7. Which Mortgage and the notes secured thereby, as modified, was assigned byPraedium by Assignment of Mortgage dated August 20, 1997, to SL Green Operating Partnership L.P., to be recorded in the New York County Register's office.

ASSIGNMENT OF MORTGAGE

KNOW THAT SL GREEN OPERATING PARTNERSHIP, L.P., a Delaware limited partnership ("Assignor") having its principal place of business at 70 West 36/th/ Street New York, New York 10018

ASSIGNOR,

in consideration of Ten Dollars ($10.00) and other lawful consideration

paid by LEHMAN BROTHERS HOLDINGS INC., d/b/a Lehman Capital, a division of Lehman Brothers Holdings Inc., a Delaware corporation ("Assignee") having an address at Three World Financial Center, New York, New York 10285

ASSIGNEE,

hereby assigns unto the assignee in accordance with, and subject to, the terms of that certain Security Agreement, dated the date hereof, between Assignor and Assignee (the "Security Agreement"), those certain mortgages as more particularly described on Exhibit A attached hereto and made part hereof
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(collectively, the "Mortgage"), and covering the premises known as 17 Battery Place, New York, New York;

TOGETHER with the bonds or notes or obligations described in the Mortgage, and the monies due and to grow due thereon with the interest;

TO HAVE AND TO HOLD the same unto Assignee and to the successors, legal representatives and assigns of assignee forever.

The Assignor hereby states, upon knowledge, that the Assignee is not acting as a nominee of the mortgagor under the Mortgage and that the Mortgage continues to secure a bona fide obligation.

IT IS EXPRESSLY UNDERSTOOD AND AGREED that this Assignment is made without any recourse to, and without any covenant or warranty, express or implied, by the assignor in any event whatsoever, except as expressly set forth in the aforesaid Security Agreement and the Loan Agreement (as defined in the Security Agreement).

The word "assignor" or "assignee" shall be construed as if it read "assignors" or "assignees" whenever the sense of this instrument so requires.

IN WITNESS HEREOF, the assignor has duly executed this Assignment as of the 20th day of March, 1998.

SL GREEN OPERATING PARTNERSHIP, L.P., a Delaware limited partnership

By: SL Green Realty Corp., a Maryland corporation, its general partner

By: /s/ David J. Nettina

David J. Nettina
Chief Financial Officer

By: /s/ Benjamin P. Feldman

Benjamin P. Feldman
Executive Vice President

ACKNOWLEDGMENT

(To Be Attached)

EXHIBIT A
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1. Mortgage made by 17 Battery Place North Associates II to Connecticut Mutual Life Insurance Company in the amount of $6,500,000, dated as of June 9, 1986 and recorded on June 10, 1986 in the New York County Register's Office in Reel 1074, Page 514, upon which mortgage tax in the amount of $146,250 was paid and the note secured thereby ("17 Mortgage 1");

   a. 17 Mortgage 1 was assigned pursuant to an Assignment of Mortgage, dated March 21, 1996, given by Massachusetts Mutual Life Insurance Company, successor by merger to Connecticut Mutual Life Insurance Company to CS First Boston Mortgage Capital Corp. and recorded in the New York County Register's Office on March 27, 1996, in Reel 2307, Page 1103.

2. Mortgage made by Downtown Acquisition Partners, L.P. to CS First Boston Mortgage Capital Corp. in the amount of $18,500,000, dated as as of March 22, 1996 and recorded on March 27, 1996 in the New York County Register's Office in Reel 2307, Page 1110, upon which mortgage tax in in the amount of $508,750 was paid and the note secured thereby ("17

Mortgage 2");

a. 17 Mortgage 1 and 17 Mortgage 2 were consolidated into a single lien of $25,000,000 by that certain Mortgage Consolidation, Modification, Extension, Assignment of Rents and Security Agreement between Downtown Acquisition Partners, L.P. and CS First Boston Mortgage Capital Corp. dated March 22, 1996 and recorded March 27, 1996 in Reel 2307, Page 1118.

b. 17 Mortgage 1 and 17 Mortgage 2, as consolidated, were assigned by that certain Assignment of Mortgage by Credit Suisse First Boston Mortgage Capital LLC, successor to CS First Boston Mortgage Capital Corp., to The Chase Manhattan Bank ("Chase"), as trustee under that certain Pool I Pooling and Servicing Agreement dated as of April 25, 1997 and recorded on June 6, 1997 in Reel 2463 Page 793.

c. 17 Mortgage 1 and 17 Mortgage 2, as consolidated and assigned by Chase, were assigned to SL Green Operating Partnership, L.P. by that certain Assignment of Mortgage dated December 19, 1997.

d. Partial Release of Mortgage by SL Green Operating Partnership, L.P. to SLG 17 Battery LLC dated as of December 19, 1997

e. Modification and Splitter Agreement dated as of December 19, 1997 by and between SL Green Operating Partnership, L.P. and 17 Battery Upper Partners LLC, which splits the lien of 17 Mortgage 1 and 17 Mortgage 2, as consolidated and assigned, into (i) a $15,500,000 mortgage (the "1/st/ Split Mortgage") and (ii) a $9,500,000 mortgage (the "2/nd/ Split Mortgage"), which 2/nd/ Split Mortgage was assigned to G 17 Battery Partners LLC by that certain Assignment of Mortgage dated as of December 19, 1997 and is subordinate to the 1/st/ Split Mortgage pursuant to that certain Intercreditor and Subordination Agreement dated as of December 19, 1997 between SL Green Operating Partnership, L.P. and G 17 Battery Partners LLC.