

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): April 24, 1998

SL GREEN REALTY CORP.

(Exact name of Registrant as specified in its Charter)

Maryland  
(State of Incorporation)

13-3956775  
(IRS Employer Id. Number)

1-13199  
(Commission File Number)

10018  
(Zip Code)

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

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

## Item 2. Acquisition or Disposition of Assets

SL Green Realty Corp. (the "Company") has acquired or contracted to acquire interests in several properties involving, individually (in the case of 711 Third Avenue) or in the aggregate, a significant amount of assets.

711 Third Avenue. In April 1998, the Company entered into a purchase contract to acquire various operating and ownership positions at 711 Third Avenue, New York, New York ("711 Third Avenue") for an aggregate purchase price of approximately \$61.0 million.

711 Third Avenue is a 20-story Class B office building located in the Grand Central North sub-market of the midtown Manhattan office market. The property was designed by William Lescaze and constructed in 1955 by Swig, Weiler & Arnow, a nationally known real estate developer and the owner of the property. The property contains approximately 524,000 rentable square feet (including 453,000 square feet of office space, 26,000 square feet of retail space and a 45,000 square foot garage), with floor plates ranging from 17,000 square feet to 45,000 square feet.

The Company is acquiring the leasehold mortgage (currently in foreclosure) related to this property for a net purchase price of \$41.0 million. The mortgage will be assigned to SL Green Operating Partnership, L.P. (the "Operating Partnership"). A subsidiary of the Company will sublease the property from the leasehold partnership for a term expiring in 2023 at a rent substantially equal to the debt service on the leasehold mortgage plus a pass-through of the net rent obligations for the leasehold described below. The Company will have the option to collapse the lease/sublease positions and take control of the entire leasehold asset after 12 years in exchange for the distribution to the current leasehold partnership of units of limited partnership interest of the Operating Partnership ("Units") in the amount of \$1.0 million.

The Company will also acquire a 50% interest in the fee title to the property for a purchase price of \$19.0 million plus Units having a value of \$1.0 million. The existing fee partnership will be converted to a co-tenancy. This co-tenancy will hold the landlord's interest under the existing leasehold. The initial term of the leasehold expires in 2033. There are five renewal options of ten years each beyond 2033. The initial net rent for the leasehold is \$2.7 million per annum from the closing of the acquisition until July 2011. The rent is reset at July 2011, July 2021 and July 2031 (and at the commencement of each of the five ten-year renewal option periods) at the greater of (a) the net rent for the immediately previous lease year or (b) 7.75% of the fair market value of the land alone, vacant and unencumbered. However, the floor for the net rent for the ten-year period commencing July 2011 is \$3.1 million.

The purchase price of 711 Third Avenue is expected to be funded with proceeds from the Company's pending offerings of common stock ("Common Stock"), as filed with the Securities and Exchange Commission (the "Commission") on Form S-11 (File No. 333-50309) and Preferred Income Equity Redeemable Shares-SM-, as filed with the Commission on Form S-11 (File No. 333-50311) (together, the "Offerings") or with proceeds from borrowings under the Company's \$140 million three year unsecured revolving credit facility due December 2000 with Lehman Brothers Holdings Inc. and additional banks (the "Credit 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 property.

440 Ninth Avenue. In April 1998, the Company contracted to acquire 440 Ninth Avenue from an unaffiliated seller for approximately \$29.0 million. The 339,000 square foot office building is located one block west of Pennsylvania Station, in the Garment sub-market of the midtown Manhattan office market. Penn Station is the major transportation hub for commutation from Northern and Central New Jersey and New York's Long Island. At December 31, 1997 this property was 76% leased at an annualized rent per leased square foot of \$18.22. However, the Company believes that its 22,000 square foot floor plates are significantly attractive to major office space users. This property is occupied by, among others, a not-for-profit organization, a law firm and a security company. The Company intends to complete the closing of this acquisition within 60 days after the closing of the Offerings. The Company anticipates spending approximately \$1.6 million on building renovations over the next 18 months, including a new lobby and elevator cabs, roof replacement and parapet restoration.

The purchase price of 440 Ninth Avenue is expected to be funded with proceeds from the Offerings or with proceeds from borrowings under the Credit 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 property.

38 East 30th Street. In April 1998, the Company contracted to acquire 38 East 30th Street from an unaffiliated seller for approximately \$10.5 million. 38 East 30th Street, located between Madison and Fifth Avenues, is a 91,000 square foot office building located in the Park Avenue South/Flatiron sub-market of the midtown Manhattan office market. This 12-story office property is primarily occupied by a color imaging company and a medical facility. This 93% occupied property has a retail store that is currently vacant. This property provides convenient access to Penn Station, Grand Central Station and subway and bus lines. As of December 31, 1997, this property had an annualized rent per leased square foot of \$21.86 and was 79% leased. The Company intends to complete the closing of this acquisition within 60 days after the closing of the Offerings. The Company anticipates spending approximately \$550,000 on building renovations over the next 18 months, including elevator upgrades and exterior restoration.

The purchase price of 38 East 30th Street is expected to be funded with proceeds from the Offerings or with proceeds from borrowings under the Credit 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 property.

116 Nassau Street (Brooklyn). In April 1998, the Company contracted to acquire 116 Nassau Street from an unaffiliated seller for approximately \$10.5 million. Located in Downtown Brooklyn, 116 Nassau Street is a 100,000 square foot 7-story office building occupied by a New York City government agency and a not-for-profit corporation. Located in the Northwest sub-market of Brooklyn, this Property was 93% leased at December 31, 1997 at an annualized rent per leased square foot of \$12.65. The Company intends to complete the closing of this acquisition within 60 days after the closing of the Offerings. The Company anticipates spending

approximately \$275,000 on building renovations over the next 18 months, including roof replacement and exterior restoration.

The purchase price of 116 Nassau Street is expected to be funded with proceeds from the Offerings or with proceeds from borrowings under the Credit 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 property.

321 West 44th Street. In March 1998, the Company acquired 321 West 44th Street from an unaffiliated seller for approximately \$17.5 million. The Property, located just west of Eighth Avenue in the Times Square sub-market of the midtown Manhattan office market, is a 203,000 square foot office building. The Property is two blocks north of the Times Square Redevelopment area, which is being buttressed by new hotel, entertainment and office development. The major tenants at this Property include a sound studio and medical facility. At December 31, 1997, 321 West 44th Street was 96% leased at an annualized rent per leased square foot of \$14.10. The Company anticipates spending approximately \$2.0 million on building renovations over the next 18 months, including facade restoration and roof replacement.

The purchase price of 321 West 44th Street was funded with proceeds from an interim debt financing in the aggregate amount of \$275 million through Lehman Brothers Holdings, Inc. which is expected to be repaid with proceeds from the Offerings. 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 property.

Item 7. Financial Statements and Exhibits

- (a) and (b) Financial Statements of The Acquired and Pending Properties and Pro Forma Financial Information

Unaudited Pro Forma Combined Financial Information

Pro Forma/Combined Balance Sheet (unaudited) as of December 31, 1997

Pro Forma/Combined Income Statement (Unaudited) for the Year Ended December 31, 1997

Notes to Pro Forma/Combined Financial Information

321 WEST 44TH STREET

Report of Independent Auditors  
Statements of Revenues and Certain Expenses for the Six Months Ended December 31, 1997 (unaudited) and the Year Ended June 30, 1997  
Notes to Statements of Revenues and Certain Expenses

440 NINTH AVENUE

Report of Independent Auditors  
Statement of Revenues and Certain Expenses for the Year Ended December 31, 1997  
Notes to Statement of Revenues and Certain Expenses

38 EAST 30TH STREET

Report of Independent Auditors  
Statement of Revenues and Certain Expenses for the Year Ended December 31, 1997  
Notes to Statement of Revenues and Certain Expenses

116 NASSAU STREET

Report of Independent Auditors  
Statement of Revenues and Certain Expenses for the Year Ended December 31, 1997  
Notes to Statement of Revenues and Certain Expenses

711 THIRD AVENUE

Report of Independent Auditors  
Statement of Revenues and Certain Expenses for the Year Ended December 31, 1997  
Notes to Statement of Revenues and Certain Expenses

(c) Exhibits

- 2.1 Agreement, dated April 24, 1998, between The Comptroller of the State of New York as Trustee of the New York State Common Retirement Fund and SL Green Operating Partnership, L.P. relating to 711 Third Avenue.
- 2.2 Letter Agreement, dated April 22, 1998, among SL Green Operating Partnership, L.P., the Swig Investment Company and the Weiler - Arnow Investment Company relating to 711 Third Avenue.
- 2.3 Contract of Sale, dated March 25, 1998, between Ninth Avenue Associates and SL Green Operating Partnership, L.P. relating to the purchase of 440 Ninth Avenue.
- 2.4 Contract of Sale, dated March 25, 1998, between 30th Street Associates and SL Green Operating Partnership, L.P. relating to the purchase of 38 East 30th Street.
- 2.5 Contract of Sale, dated March 25, 1998, between Nassau Street Partners and SL Green Operating Partnership, L.P. relating to the purchase of 116 Nassau Street (Brooklyn).
- 2.6 Letter Agreement, dated January 20, 1998, between the First Republic Corporation of America and SL Green Operating Partnership, L.P. relating to the purchase of 321 West 44th Street.
- 2.7 Contract of Sale, dated January 20, 1998, between the First Republic Corporation of America and SL Green Operating Partnership, L.P. relating to the purchase of 321 West 44th Street.

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 May 8, 1998

PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS  
(UNAUDITED)

The unaudited pro forma consolidated balance sheet of the Company as of December 31, 1997 has been prepared as if the Offerings and the Company's purchase of the Acquired Properties purchased after December 31, 1997 (1466 Broadway, 420 Lexington Avenue and 321 West 44th Street) and the Pending Acquisitions had been consummated on December 31, 1997. The pro forma consolidated statement of operations for the year ended December 31, 1997 is presented as if the IPO, the Formation Transactions, the Offerings, and the purchase of the Acquired Properties and Pending Acquisitions occurred at January 1, 1997 and the effect thereof was carried forward through the year.

The pro forma consolidated financial statements do not purport to represent what the Company's financial position or results of operations would have been assuming the completion of the IPO, Formation Transactions, the Offerings and the purchase of the Acquired Properties and Pending Acquisitions had occurred at the beginning of the period indicated, nor do they purport to project the Company's financial position or results of operations at any future date or for any future period. The pro forma consolidated financial statements should be read in conjunction with the Company's consolidated financial statements for the period August 21, 1997 to December 31, 1997 and the SL Green Predecessor combined financial statements for the period January 1, 1997 to August 20, 1997 included elsewhere herein.

SL GREEN REALTY CORP.

PRO FORMA CONSOLIDATED BALANCE SHEET

AS OF DECEMBER 31, 1997

(UNAUDITED)

(DOLLARS IN THOUSANDS)

	SL Green Realty Corp. Historical (A)	The Offerings (B)	Acquired Properties (C)	Pending Acquisitions (D)	Financing Adjustments (E)	Minority Interest Adjustment (F)	Company Pro Forma As Adjusted
<b>ASSETS</b>							
Commercial real estate property at cost:							
Land.....	\$ 53,834		\$ 16,574	\$ 10,300			\$ 80,708
Buildings and improvements....	272,776		66,298	41,200			380,274
Building leasehold.....			82,788	41,000			123,788
Property under capital lease...	12,208						12,208
	338,818		165,660	92,500			596,978
Less accumulated depreciation.....	(23,800)		--				(23,800)
	315,018		165,660	92,500			573,178
Cash and cash equivalents.....	12,782	\$ 315,012		(111,500)	\$(203,512)		12,782
Restricted cash.....	10,310						10,310
Receivables.....	738						738
Related party receivables.....	1,971						1,971
Deferred rents receivable, net of provision for doubtful accounts of \$399.....	11,563						11,563
Investment in Service Corporations.....	1,480						1,480
Mortgage loan receivable.....	15,500						15,500
Investment in real estate partnership.....				20,000			20,000
Deferred costs, net.....	6,099	(725)	1,450		(725)		6,099
Other assets.....	7,314						7,314
Total assets.....	\$ 382,775	\$ 314,287	\$ 167,110	\$ 1,000	\$(204,237)		\$ 660,935
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>							
Mortgage notes payable.....	\$ 52,820						\$ 52,820
Credit Facility.....	76,000		\$(76,000)		\$ 36,488		36,488
Acquisition Facility.....			240,000		(240,000)		
Accrued interest payable.....	552						552
Accounts payable and accrued expenses.....	3,340						3,340
Accounts payable to related parties.....	367						367
Capitalized lease obligations.....	14,490						14,490
Dividend and distributions payable.....	5,136						5,136
Overage rent payable.....			3,110				3,110
Deferred land lease payable....	8,481						8,481
Security deposits.....	11,475						11,475
Total liabilities.....	172,661		167,110		(203,512)		136,259
Minority interest in Operating Partnership.....	33,906			\$ 1,000		\$ 7,197	42,103
7.75% Preferred Income Equity Mandatory Redeemable Shares (Redemption amount \$100,000)		\$ 95,580					95,580
<b>STOCKHOLDERS' EQUITY</b>							
Common stock.....	123	100					223
Additional paid-in capital....	178,669	218,607				(7,197)	390,079
Distributions in excess of earnings.....	(2,584)				(725)		(3,309)
Total stockholders' equity...	176,208	218,707			(725)	(7,197)	386,993
Total liabilities and stockholders' equity.....	\$ 382,775	\$ 314,287	\$ 167,110	\$ 1,000	\$(204,237)	\$ 0	\$ 660,935



SL GREEN REALTY CORP.  
PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 1997  
(UNAUDITED)  
(DOLLARS IN THOUSANDS)

	IPO/Formation Transactions					
	SL Green Realty Corp. Historical (A)	SL Green Predecessor Historical (B)	Acquisition Of Partnerships' Interest (C)	Equity Conversion Service Corproations (D)	IPO Acquisition Properties (E)	IPO Financing Adjustments (F)
<b>Revenues</b>						
Rental revenue.....	\$ 20,033	\$ 4,107	\$ 13,079		\$ 12,254	
Escalations and reimbursement revenues.....	2,205	792	859		1,644	
Management revenues.....		1,268		\$ (1,268)		
Leasing commissions.....	484	3,464		(3,464)		
Construction revenues.....		77		(77)		
Investment income.....	485					
Other income.....		16	89	(11)	1,582	
<b>Total revenues.....</b>	<b>23,207</b>	<b>9,724</b>	<b>14,027</b>	<b>(4,820)</b>	<b>15,480</b>	
Equity in net income (loss) in Service Corporations.....	(101)			1,948		
Equity in net (loss) from uncombined joint ventures.....		(770)	770			
<b>Expenses</b>						
Operating expenses.....	7,077	2,722	4,985	(1,000)	3,679	
Interest.....	2,135	1,062	5,320			\$ (3,008)
Depreciation and amortization.....	2,815	811	2,456	(48)	1,390	(16)
Real estate taxes.....	3,498	705	1,741		2,714	
Marketing, general and administrative.....	948	2,189		(1,521)		
<b>Total expenses.....</b>	<b>16,473</b>	<b>7,489</b>	<b>14,502</b>	<b>(2,569)</b>	<b>7,783</b>	<b>(3,024)</b>
Income (loss) before minority interest and extraordinary item.....	6,633	1,465	295	(303)	7,697	3,024
Minority interest in operating partnership..	(1,074)					
<b>Income (loss) before extraordinary item...</b>	<b>\$ 5,559</b>	<b>\$ 1,465</b>	<b>\$ 295</b>	<b>\$ (303)</b>	<b>\$ 7,697</b>	<b>\$ 3,024</b>
Mandatory preferred stock dividends and accretion (Q).....						
Pro forma income before extraordinary item available to common shareholders.....						
Pro forma income before extraordinary item available per common share - basic (R).....						
Pro forma income before extraordinary item available per common share - diluted (R)....						
	1997 Acquired Properties (G)	1998 Acquired Properties (H)	Pending Acquisitions (I)	1998 Financing Adjustments (J)	Pro Forma Adjustments	Company Pro Forma
<b>Revenues</b>						
Rental revenue.....	\$ 17,725	\$ 36,993	\$ 17,226			\$ 121,417
Escalations and reimbursement revenues.....	1,390	7,628	2,056			16,574
Management revenues.....					\$ (484)(M)	
Leasing commissions.....						
Construction revenues.....						
Investment income.....	1,782				(485)(N)	1,782
Other income.....	96	1,006	947			3,725
<b>Total revenues.....</b>	<b>20,993</b>	<b>45,627</b>	<b>20,229</b>		<b>(969)</b>	<b>143,498</b>
Equity in net income (loss) in Service Corporations.....					484(M)	2,331
Equity in net (loss) from uncombined joint ventures.....						
<b>Expenses</b>						
Operating expenses.....	6,747	23,731	7,815		2,028(P)	57,784
Interest.....				\$ 3,267		8,776
Depreciation and amortization.....	2,269	4,146	2,640		4(K)	16,467
Real estate taxes.....	3,267	8,217	4,207			24,349
Marketing, general and administrative.....					961(L)	2,577
<b>Total expenses.....</b>	<b>12,283</b>	<b>36,094</b>	<b>14,662</b>	<b>3,267</b>	<b>2,993</b>	<b>109,953</b>
Income (loss) before minority interest and extraordinary item.....	8,710	9,533	5,567	(3,267)	(3,478)	35,876
Minority interest in operating partnership..					(1,657)(O)	(2,731)
<b>Income (loss) before extraordinary item...</b>	<b>\$ 8,710</b>	<b>\$ 9,533</b>	<b>\$ 5,567</b>	<b>\$ (3,267)</b>	<b>\$ (5,135)</b>	<b>33,145</b>

Mandatory preferred stock dividends and accretion (Q).....	8,050
Pro forma income before extraordinary item available to common shareholders.....	\$ 25,095
Pro forma income before extraordinary item available per common share - basic (R).....	\$ 1.13
Pro forma income before extraordinary item available per common share - diluted (R)....	\$ 1.12

SL GREEN REALTY CORP.

NOTES TO PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1997  
(UNAUDITED)

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

ADJUSTMENTS TO THE PRO FORMA CONSOLIDATED BALANCE SHEET

(A) To reflect the consolidated balance sheet of SL Green Realty Corp. as of December 31, 1997.

(B) To reflect the issuance of 10,000,000 shares of common stock at an assumed price of \$23.125 per share (May 7, 1998 closing stock price) which is reduced by the underwriting discount of \$11,563, including \$725 previously paid and is deferred on the pro-forma balance sheet and estimated other costs of the Common Offering of \$980.

Also, to reflect the issuance of 4,000,000 shares of 7.75% Preferred Income Equity Mandatory Redeemable Shares at a liquidation value of \$25 per share which is reduced by the underwriting discount of \$4,000 and estimated other costs of the PIERS Offering of \$420.

(C) To reflect the acquisition of the three respective Acquired Properties at cost which represents the purchase price, including certain closing costs, of 420 Lexington Avenue, 1466 Broadway and 321 West 44th Street as follows:

	420 Lexington Avenue	1466 Broadway	321 West 44TH Street	Total
Assets acquired:				
Land.....		\$ 13,074	\$ 3,500	\$ 16,574
Building.....		52,298	14,000	66,298
Building leasehold.....	\$ 82,788			82,788
	82,788	65,372	17,500	165,660
Liabilities assumed:				
Overage rent payable	(3,110)			(3,110)
Acquisition costs.....	\$ 79,678	\$ 65,372	\$ 17,500	\$ 162,550

The purchase of 420 Lexington, 1466 Broadway and 321 West 44th Street were funded primarily by proceeds from the Company's Acquisition Facility totalling approximately \$162,550. In addition, the Company utilized the Acquisition Facility to repay the Credit Facility in the amount of \$76,000 and paid \$1,450 in financing costs related to the Acquisition Facility, including \$725 which is to be applied toward the underwriting fees (see (B) above).

(D) To reflect the acquisition of the Pending Acquisitions at cost which represents the purchase price, including certain closing costs, of 711 Third Avenue, 440 Ninth Avenue, 116 Nassau Street and 38 East 30th Street as follows:

	711 Third Avenue	440 Ninth Avenue	116 Nassau Street	38 East 30TH Street	Total
Assets acquired:					
Land.....		\$ 5,974	\$ 2,163	\$ 2,163	\$ 10,300
Building.....		23,896	8,652	8,652	41,200
Building leasehold.....	\$ 41,000				41,000
Investment in real estate partnership.....	20,000				20,000
Acquisition costs.....	\$ 61,000	\$ 29,870	\$ 10,815	\$ 10,815	\$ 112,500

SL GREEN REALTY CORP.

NOTES TO PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1997  
(UNAUDITED)

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

The purchase of the Pending Acquisitions will be funded from net proceeds from the Offerings, issuance of units, and additional borrowings under the Company's Credit Facility (see (E) below).

(E) To reflect the partial repayment of the Company's Credit Facility and full repayment of the Acquisition Facility with net proceeds from the Offerings. Financing fees related to the Acquisition Facility totalling \$725 have been charged to distributions in excess of earnings as a result of the early retirement of the Acquisition Facility. The Credit Facility remained committed until the Acquisition Facility is repaid, at which time, the Company will be in compliance under the Credit Facility and is able to draw additional funds under such Credit Facility.

(F) To adjust minority interest in the Company to reflect the Pending Acquisition and Common Offering as follows:

Total stockholders' equity and minority interest.....	\$ 429,096
Percentage of Units which are not owned by the Company.....	9.8%
	-----
Minority interest in the equity of the Company.....	\$ 42,103
	-----

ADJUSTMENTS TO THE PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 1997

(A) To reflect the historical consolidated statement of operations of SL Green Realty Corp. for the period August 21, 1997 to December 31, 1997.

(B) To reflect the historical combined statement of operations of SL Green Predecessor for the period January 1, 1997 to August 20, 1997.

NOTES TO PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1997  
(UNAUDITED)

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

(C) To reflect the period January 1, 1997 to August 20, 1997 operations of 673 First Avenue, 470 Park Avenue South, 29 West 35th Street and 36 West 44th Street (the "Equity Properties") as consolidated entities rather than equity method investees due to the acquisition of 100% of the partnership interests.

ACQUISITION OF PARTNERSHIPS' INTERESTS AND  
FAIR MARKET VALUE ADJUSTMENTS

	ELIMINATE HISTORICAL AMOUNTS	UNCOMBINED TOTAL	673 FIRST AVE	470 PARK AVE	29 WEST 35TH	36 WEST 44TH
<b>REVENUES:</b>						
Rental revenue(a).....		\$ 12,604	\$ 247	\$ 152	\$ 64	\$ 12
Escalations and reimbursement revenues...		859				
Other income.....		89				
<b>Total revenues.....</b>		<b>13,552</b>	<b>247</b>	<b>152</b>	<b>64</b>	<b>12</b>
Equity in net income/(loss) of investees.....	\$ 770					
<b>EXPENSES:</b>						
Operating expenses(b).....		2,976	(221)	(128)	(37)	(62)
Real estate taxes.....		1,741				
Ground rent(c).....		2,425	31			
Interest.....		5,320				
Depreciation and amortization(c).....		2,510	24	(64)	(11)	(2)
<b>Total expenses.....</b>		<b>14,972</b>	<b>(166)</b>	<b>(192)</b>	<b>(48)</b>	<b>(64)</b>
Income (loss) before minority interest...	\$ 770	\$ (1,420)	\$ 413	\$ 344	\$ 112	\$ 76

TOTAL  
ADJUSTMENTS

<b>REVENUES:</b>	
Rental revenue(a).....	\$ 13,079
Escalations and reimbursement revenues...	859
Other income.....	89
<b>Total revenues.....</b>	<b>14,027</b>
Equity in net income/(loss) of investees.....	770
<b>EXPENSES:</b>	
Operating expenses(b).....	2,528
Real estate taxes.....	1,741
Ground rent(c).....	2,456
Interest.....	5,320
Depreciation and amortization(c).....	2,457
<b>Total expenses.....</b>	<b>14,502</b>
Income (loss) before minority interest...	\$ 295

(a) Rental income is adjusted to reflect straight line amounts as of the acquisition date.

(b) Operating expenses are adjusted to eliminate management fees paid to the Service Corporations (Management fee income received by the Service Corporations was also eliminated.)

(c) Ground rent and depreciation and amortization were adjusted to reflect the purchase of the assets.

NOTES TO PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1997  
(UNAUDITED)

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

(D) To reflect the operations of the Service Corporations pursuant to the equity method of accounting for the period January 1, 1997 to August 20, 1997.

	HISTORICAL SERVICE CORPORATIONS	EXPENSES ATTRIBUTABLE TO REIT (A)	EQUITY CONVERSION (B)	TOTAL ADJUSTMENT
STATEMENT OF OPERATIONS:				
Management revenues.....	\$ 1,268			\$ (1,268)
Leasing commissions.....	3,464			(3,464)
Construction revenues.....	77			(77)
Equity in net income of Service Corporations.....			\$ (1,948)	1,948
Other income.....	11			(11)
Total revenues.....	4,820		(1,948)	(2,872)
EXPENSES				
Operating expenses.....	1,000			(1,000)
Depreciation and amortization.....	48			(48)
Marketing, general and administrative.....	2,189	\$ (668)		(1,521)
Total expenses.....	3,237	(668)		(2,569)
Income (loss).....	\$ 1,583	\$ 668	\$ (1,948)	\$ (303)

(a) Expenses are allocated to the Service Corporations and the Management LLC based upon the job functions of the employees.

(b) The equity in net income of the Service Corporations is computed as follows:

Historical Service Corporations income.....	\$ 1,583
Adjustment for management fees eliminated in the combined historical financial statements due to acquisition of partnerships interests.....	(201)
Expenses attributable to REIT.....	668
Income.....	\$ 2,050
Equity in net income of Service Corporations' at 95 percent.....	\$ 1,948

SL GREEN REALTY CORP.

NOTES TO PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1997  
(UNAUDITED)

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

(E) To reflect the operations of 1372 Broadway, 1140 Avenue of the Americas and 50 West 23rd Street for the period January 1, 1997 to August 20, 1997. Historical rental revenue was adjusted for straight line rents as of the acquisition date, historical operating expenses were reduced for management fees, the land lease on 1140 Avenue of the Americas was recorded, and depreciation and amortization based on cost was recorded.

	1372 BROADWAY			1140 AVENUE OF THE AMERICAS		
	HISTORICAL	ADJUSTMENT	PRO FORMA	HISTORICAL	ADJUSTMENT	PRO FORMA
<b>REVENUES:</b>						
Rental revenue.....	\$ 5,154	\$ 578	\$ 5,732	\$ 2,768	\$ 230	\$ 2,998
Escalations & reimbursement revenues.....	713		713	440		440
Other income.....	1,520		1,520	61		61
<b>Total revenues.....</b>	<b>7,387</b>	<b>578</b>	<b>7,965</b>	<b>3,269</b>	<b>230</b>	<b>3,499</b>
<b>EXPENSES:</b>						
Operating expenses.....	1,701	(181)	1,520	1,261	(130)	1,131
Ground rent.....					268	268
Depreciation & amortization.....		658	658		271	271
Real estate taxes.....	1,396		1,396	660		660
<b>Total expenses.....</b>	<b>3,097</b>	<b>477</b>	<b>3,574</b>	<b>1,921</b>	<b>409</b>	<b>2,330</b>
<b>Income before minority interest.....</b>	<b>\$ 4,290</b>	<b>\$ 101</b>	<b>\$ 4,391</b>	<b>\$ 1,348</b>	<b>\$ (179)</b>	<b>\$ 1,169</b>

	50 WEST 23RD STREET			TOTAL
	HISTORICAL	ADJUSTMENT	PRO FORMA	PRO FORMA
<b>REVENUES:</b>				
Rental revenue.....	\$ 3,303	\$ 221	\$ 3,524	\$ 12,254
Escalations & reimbursement revenues.....	491		491	1,644
Other income.....	1		1	1,582
<b>Total revenues.....</b>	<b>3,795</b>	<b>221</b>	<b>4,016</b>	<b>15,480</b>
<b>EXPENSES:</b>				
Operating expenses.....	876	(116)	760	3,411
Ground rent.....				268
Depreciation & amortization.....		461	461	1,390
Real estate taxes.....	658		658	2,714
<b>Total expenses.....</b>	<b>1,534</b>	<b>345</b>	<b>1,879</b>	<b>7,783</b>
<b>Income before minority interest.....</b>	<b>\$ 2,261</b>	<b>\$ (124)</b>	<b>\$ 2,137</b>	<b>\$ 7,697</b>

(F) To reflect the changes in interest expense as the result of the IPO financing transactions and the related adjustments to deferred financing expense.

	673 1ST AVE	470 PAS	29 W 35TH	36 W 44TH	70 W 36TH
Interest.....	\$ (1,123)	\$ (1,025)		\$ (593)	\$ (339)
Depreciation and amortization.....	30	9	\$ 3		(47)
<b>Total expenses.....</b>	<b>(1,093)</b>	<b>(1,016)</b>	<b>3</b>	<b>(593)</b>	<b>(386)</b>
<b>Income before minority interest.....</b>	<b>\$ 1,093</b>	<b>\$ 1,016</b>	<b>\$ (3)</b>	<b>\$ 593</b>	<b>\$ 386</b>

	1414 AVE. AMERICAS	NEW MORTGAGE LOAN	TOTAL
Interest.....	\$ (591)	\$ 663	\$ (3,008)
Depreciation and amortization.....	(29)	18	(16)

Total expenses.....		(620)		681		(3,024)
		-----		-----		-----
Income before minority interest.....	\$	620	\$	(681)	\$	3,024
		-----		-----		-----
		-----		-----		-----



SL GREEN REALTY CORP.

NOTES TO PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1997  
(UNAUDITED)

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

(G) To reflect the operations of 110 East 42nd Street for the period January 1, 1997 to September 15, 1997, 17 Battery Place including the mortgage loan receivable for the period January 1, 1997 to December 18, 1997, and 633 Third Avenue for the period January 1, 1997 to December 31, 1997. Historical rental revenue was adjusted for straight line rents as of the acquisition date, historical operating expenses were reduced for management fees, and depreciation based on recorded cost. These acquisitions were funded by proceeds from the IPO and Revolving Credit Facility.

	110 EAST 42ND STREET			17 BATTERY PLACE			633 THIRD AVENUE
	HISTORICAL	ADJUSTMENT	PRO FORMA	HISTORICAL	ADJUSTMENT	PRO FORMA	HISTORICAL
<b>REVENUES:</b>							
Rental revenue.....	\$ 3,499	\$ (166)	\$ 3,333	\$ 12,458	\$ 742	\$ 13,200	\$ 809
Escalation & reimbursement revenues.....	501		501	889		889	
Investment income.....					1,782	1,782	
Other income.....	14		14	82		82	
Total revenues.....	4,014	(166)	3,848	13,429	2,524	15,953	809
<b>EXPENSES:</b>							
Operating expenses.....	1,839	(147)	1,692	5,264	(410)	4,854	201
Interest expense.....							
Depreciation & amortization.....		426	426		1,627	1,627	
Real estate taxes.....	1,000		1,000	2,075		2,075	192
Total expenses.....	2,839	279	3,118	7,339	1,217	8,556	393
Income before minority interest.....	\$ 1,175	\$ (445)	\$ 730	\$ 6,090	\$ 1,307	\$ 7,397	\$ 416

	ADJUSTMENT	PRO FORMA	TOTAL PRO FORMA
<b>REVENUES:</b>			
Rental revenue.....	\$ 383	\$ 1,192	\$ 17,725
Escalation & reimbursement revenues.....			1,390
Investment income.....			1,782
Other income.....			96
Total revenues.....	383	1,192	20,993
<b>EXPENSES:</b>			
Operating expenses.....		201	6,747
Interest expense.....			
Depreciation & amortization.....	216	216	2,269
Real estate taxes.....		192	3,267
Total expenses.....	216	609	12,283
Income before minority interest.....	\$ 167	\$ 583	\$ 8,710

NOTES TO PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1997  
(UNAUDITED)

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

(H) To reflect three of the Acquired Properties operations purchased after December 31, 1997 of 420 Lexington Avenue, 1466 Broadway and 321 West 44th Street for the year ended December 31, 1997. Historical rental revenue was adjusted for straight line rents and historical operating expenses were reduced for management fees and depreciation based on the recorded cost.

	420 LEXINGTON AVE			1466 BROADWAY			321 WEST 44TH STREET	
	HISTORICAL	ADJUSTMENT	PRO FORMA	HISTORICAL	ADJUSTMENT	PRO FORMA	HISTORICAL	ADJUSTMENT
Revenue:								
Rental revenue.....	\$ 25,278	\$ 876	\$ 26,154	\$ 7,749	\$ 380	\$ 8,129	\$ 2,511	\$ 199
Escalation & reimbursement revenues.....	5,708		5,708	760		760	1,160	
Other income.....	763		763	225		225	18	
Total revenues.....	31,749	876	32,625	8,734	380	9,114	3,689	199
Expenses:								
Operating expenses.....	\$ 20,431	(442)	19,989	2,554	(151)	2,403	1,450	(111)
Depreciation & amortization.....		2,516	2,516		1,280	1,280		350
Real estate taxes.....	5,823		5,823	1,931		1,931	463	
Total expenses.....	26,254	2,074	28,328	4,485	1,129	5,614	1,913	239
Income before minority interest.....	\$ 5,495	\$ (1,198)	\$ 4,297	\$ 4,249	\$ (749)	\$ 3,500	\$ 1,776	\$ (40)

	PRO FORMA	TOTAL PRO FORMA
Revenue:		
Rental revenue.....	\$ 2,710	\$ 36,993
Escalation & reimbursement revenues.....	1,160	7,628
Other income.....	18	1,006
Total revenues.....	3,888	45,627
Expenses:		
Operating expenses.....	1,339	23,731
Depreciation & amortization.....	350	4,146
Real estate taxes.....	463	8,217
Total expenses.....	2,152	36,094
Income before minority interest.....	\$ 1,736	\$ 9,533

SL GREEN REALTY CORP.  
NOTES TO PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS--CONTINUED  
DECEMBER 31, 1997  
(UNAUDITED)  
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

(I) To reflect the Pending Acquisitions of 711 Third Avenue, 440 Ninth Avenue, 116 Nassau Street and 38 East 30th Street for the year ended December 31, 1997. Historical rental revenue was adjusted for straight line rents and historical operating expenses were reduced for management fees, ground lease adjustment and depreciation was calculated based on the estimated purchase prices.

	711 THIRD AVENUE			440 NINTH AVENUE			116 NASSAU STREET	
	HISTORICAL	ADJUSTMENT	PRO FORMA	HISTORICAL	ADJUSTMENT	PRO FORMA	HISTORICAL	ADJUSTMENT
Revenue:								
Rental revenue.....	\$ 10,097	\$ 541	\$ 10,638	\$ 3,923	\$ 205	\$ 4,128	\$ 1,183	\$ 11
Escalation & reimbursement revenues.....	353		353	1,145		1,145	36	
Other income...	847		847	68		68	1	
Total revenues..	11,297	541	11,838	5,136	205	5,341	1,220	11
Expenses:								
Operating expenses.....	5,434	(172)	5,262	1,948	(256)	1,692	264	\$ (59)
Depreciation & amortization...	--	1,640	1,640		580	580		210
Real estate taxes.....	2,674		2,674	1,123		1,123	121	
Total expenses..	8,108	1,468	9,576	3,071	324	3,395	385	151
Income before minority interest.....	\$ 3,189	\$ (927)	\$ 2,262	\$ 2,065	\$ (119)	\$ 1,946	\$ 835	\$ (140)

	38 EAST 30TH STREET				TOTAL
	PRO FORMA	HISTORICAL	ADJUSTMENT	PRO FORMA	PRO FORMA
Revenue:					
Rental revenue.....	\$ 1,194	\$ 1,240	\$ 26	\$ 1,266	\$ 17,226
Escalation & reimbursement revenues.....	36	522		522	2,056
Other income...	1	31		31	947
Total revenues..	1,231	1,793	26	1,819	20,229
Expenses:					
Operating expenses.....	205	757	(101)	656	7,815
Depreciation & amortization...	210		210	210	2,640
Real estate taxes.....	121	289		289	4,207
Total expenses..	536	1,046	109	1,155	14,662
Income before minority interest.....	\$ 695	\$ 747	\$ (83)	\$ 664	\$ 5,567

## NOTES TO PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1997  
(UNAUDITED)

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

(J) To reflect the additional borrowings required under the Credit Facility to fund the Pending Acquisitions (7.265% interest rate) and to reflect the full year interest expense for a \$7 million loan borrowed during December 31, 1997.

(K) To reflect for 70 West 36th Street and 1414 Avenue of the Americas, depreciation expense adjustments for real property transfer taxes capitalized in connection with the Formation Transactions which are amortized over the remaining life of the commercial property.

(L) To reflect the increase in marketing, general and administrative expenses related to operations of a public company for the period January 1, 1997 to August 20, 1997 which includes the following:

Officers' compensation and related costs.....	\$	446
Professional fees.....		203
Directors' fees and insurance.....		174
Printing and distribution costs.....		87
Other.....		51
		-----
	\$	961
		-----
		-----

The additional officers' compensation and related costs are attributable primarily to Employment Agreements with the officers as further described under the caption "Employment and Non Competition Agreement."

(M) Represents the reclassifications of leasing commissions attributable to the Service Corporations since all leasing commissions is presently being recorded in the Service Corporations.

(N) Represents the reduction of interest income from the excess cash that was used to fund Pending Acquisitions.

(O) Represents the 9.8% interest of the minority shareholders in the Operating Partnership less Unit Holders 9.8% share of the preferred dividends and accretion totalling \$789.

(P) To adjust the provision for doubtful accounts based upon 2% of Pro Forma rental revenue.

(Q) Represents the 7.75% dividends and accretion on the Preferred Income Equity Mandatory Redeemable Shares. The difference between the carrying value and the redemption amount is being accreted using the interest method over ten years.

(R) Pro Forma income before extraordinary item per common share--basic is based upon 22,292,311 shares of common stock outstanding as of December 31, 1997. Pro Forma income before extraordinary item per common share--diluted is based upon 22,404,412 weighted average shares of common stock outstanding as of December 31, 1997, which gives effect to stock options (the preferred shares are anti-dilutive). As each Unit is redeemable for cash, or at the Company's election, for one share of common stock, the calculation of earnings per share upon redemption will be unaffected as unitholders and stockholders share equally on a per unit and per share basis in the net income of the Company. Pursuant to the terms of the Partnership Agreement, the Unit holders that received Units at the IPO may not, for up to two years from the IPO date, transfer any of their rights or redeem their Units as a limited partner without the consent of the Company.

Report Of Independent Auditors

To the Board of Directors of  
SL Green Realty Corp.

We have audited the statement of revenues and certain expenses of the property at 440 Ninth Avenue, as described in Note 1, for the year ended December 31, 1997. The financial statement is the responsibility of management of the Property. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement of revenues and certain expenses was prepared for the purposes of complying with the rules and regulations of the Securities and Exchange Commission for inclusion in Form 8-K of SL Green Realty Corp., and is not intended to be a complete presentation of the Property's revenues and expenses.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenues and certain expenses of the Property, as described in Note 1 for the year ended December 31, 1997 in conformity with generally accepted accounting principles.

/s/ Ernst & Young LLP

New York, New York  
March 31, 1998

Statement Of Revenues and Certain Expenses

(Dollars in Thousands)

Note 1

	YEAR ENDED DECEMBER 31, 1997
	-----
Revenues	
Rental revenue.....	\$ 3,923
Escalations and reimbursement revenue.....	1,145
Other income.....	68
	-----
Total revenues.....	5,136
	-----
Certain Expenses	
Property taxes.....	1,123
Utilities.....	774
Cleaning and service contracts.....	374
Payroll and expenses.....	276
Management fees.....	256
Repairs and maintenance.....	115
Professional fees.....	37
Insurance.....	74
Other operating expenses.....	42
	-----
Total certain expenses.....	3,071
	-----
Revenues in excess of certain expenses.....	\$ 2,065
	-----
	-----

See accompanying notes.

Notes To Statement Of Revenues And Certain Expenses

(Dollars In Thousands)

December 31, 1997

1. Basis Of Presentation

Presented herein is the statement of revenues and certain expenses related to the operations of the property located at 440 Ninth Avenue in New York City, (the "Property").

The accompanying financial statement has been prepared in accordance with the applicable rules and regulations of the Securities and Exchange Commission for the acquisition of real estate properties. Accordingly, the financial statement excludes certain expenses that may not be comparable to those expected to be incurred by SL Green Realty Corp., in the proposed future operations of the Property. Items excluded consist of interest, amortization and depreciation.

2. Use Of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect the amounts reported in the financial statement and accompanying notes. Actual results could differ from those estimates.

3. Revenue Recognition

The Property is leased to tenants under operating leases. Minimum rental income is generally recognized on a straight-line basis over the term of the lease. The excess of amounts due pursuant to the underlying leases over the amounts recognized amounted to approximately \$68 for the year ended December 31, 1997.

4. Concentration Of Revenue

Approximately 39% of the Property's revenue for the year ended December 31, 1997 was derived from three tenants.

5. Management Agreements

During 1997 the Property was managed by Murray Hill Property Management, Inc., (the "Management Company"), a related party. During the year ended December 31, 1997 the management fees were based on 5% of gross cash receipts. The management fee was \$256 for the year ended December 31, 1997. In addition, the Property paid to the Management Company fees of \$8 for accounting services provided by the Management Company.

6. Related Party Transactions

The Management Company leased office space at the Property for the year ended December 31, 1997. The rental income of \$95 was not billed to the Management Company; however, it was partially offset by payments of \$28 made by the Management Company on behalf of the Property. The financial statement reflects both the rental income and the expenses.

Notes To Statement Of Revenues And Certain Expenses (continued)

(Dollars In Thousands)

December 31, 1997

7. Insurance Costs

The Property is included in an umbrella insurance policy that covers several properties managed by the Management Company. The Management Company allocates the costs of the policy on a per square foot basis.

8. Lease Agreements

The Property is being leased to tenants under operating leases with term expiration dates ranging from 1998 to 2009. The minimum rental amounts due under the leases are generally subject to scheduled fixed increases. The leases generally also require that the tenants reimburse the Property for increases in certain operating costs and real estate taxes above their base year costs. Approximate future minimum rents to be received over the next five years and thereafter for non-cancelable operating leases as of December 31, 1997 (exclusive of renewal option periods) are as follows:

1998.....	\$	4,000
1999.....		4,100
2000.....		3,500
2001.....		2,800
2002.....		1,300
Thereafter.....		5,700
		-----
	\$	21,400
		-----
		-----



Report Of Independent Auditors

To the Board of Directors of  
SL Green Realty Corp.

We have audited the statement of revenues and certain expenses of the property at 38 East 30th Street, as described in Note 1, for the year ended December 31, 1997. The financial statement is the responsibility of management of the Property. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement of revenues and certain expenses was prepared for the purposes of complying with the rules and regulations of the Securities and Exchange Commission for inclusion in Form 8-K of SL Green Realty Corp., and is not intended to be a complete presentation of the Property's revenues and expenses.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenues and certain expenses of the Property, as described in Note 1 for the year ended December 31, 1997 in conformity with generally accepted accounting principles.

/s/ Ernst & Young LLP

New York, New York  
March 31, 1998

Statement Of Revenues And Certain Expenses

(Dollars In Thousands)

Note 1

	Year Ended December 31, 1997
	-----
Revenues	
Rental revenue.....	\$ 1,240
Escalations and reimbursement revenue.....	522
Other income.....	31
	-----
Total revenues.....	1,793
	-----
Certain Expenses	
Property taxes.....	289
Utilities.....	303
Cleaning and service contracts.....	119
Payroll and expenses.....	129
Management fees.....	101
Repairs and maintenance.....	52
Professional fees.....	19
Insurance.....	24
Other operating expenses.....	10
	-----
Total certain expenses.....	1,046
	-----
Revenues in excess of certain expenses.....	\$ 747
	-----
	-----

See accompanying notes.

Notes to Statement Of Revenues And Certain Expenses

(Dollars In Thousands)

December 31, 1997

1. Basis Of Presentation

Presented herein is the statement of revenues and certain expenses related to the operations of the property located at 38 East 30th Street in New York City, (the "Property").

The accompanying financial statement has been prepared in accordance with the applicable rules and regulations of the Securities and Exchange Commission for the acquisition of real estate properties. Accordingly, the financial statement excludes certain expenses that may not be comparable to those expected to be incurred by SL Green Realty Corp., in the proposed future operations of the Property. Items excluded consist of interest, amortization and depreciation.

2. Use Of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

3. Revenue Recognition

The Property is leased to tenants under operating leases. Minimum rental income is generally recognized on a straight-line basis over the term of the lease. The excess of amounts due pursuant to the underlying leases over amounts so recognized amounted to approximately \$94 for the year ended December 31, 1997.

4. Concentration Of Revenue

Approximately 73% of the Property's revenue for the year ended December 31, 1997 was derived from two tenants.

5. Management Agreements

During 1997 the Property was managed by Murray Hill Property Management, Inc., (the "Management Company"), a related party. During the year ended December 31, 1997 the management fees were based on 5% of gross cash receipts. The management fee was \$101 for the year ended December 31, 1997. In addition, the Property paid to the Management Company fees of \$9 for accounting services provided by the Management Company.

6. Insurance Costs

The Property is included in an umbrella insurance policy that covers several properties managed by the Management Company. The Management Company allocates the costs of the policy on a per square foot basis.

7. Lease Agreements

The Property is being leased to tenants under operating leases with term expiration dates ranging from 1998 to 2007. The minimum rental amounts due under the leases are generally subject to scheduled fixed increases. The leases generally also require that the tenants reimburse the Property for increases in

Notes to Statement of Revenues And Certain Expenses (continued)

(Dollars In Thousands)

December 31, 1997

7. Lease Agreements (Continued)

certain operating costs and real estate taxes above their base year costs. Approximate future minimum rents to be received over the next five years and thereafter for non-cancelable operating leases as of December 31, 1997 (exclusive of renewal option periods) are as follows:

1998.....	\$ 1,300
1999.....	1,200
2000.....	1,300
2001.....	700
2002.....	700
Thereafter.....	2,800
	-----
	\$ 8,000
	-----
	-----

Report Of Independent Auditors

To the Board of Directors of  
SL Green Realty Corp.

We have audited the statement of revenues and certain expenses of the property at 116 Nassau Street, as described in Note 1, for the year ended December 31, 1997. The financial statement is the responsibility of management of the Property. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement of revenues and certain expenses was prepared for the purposes of complying with the rules and regulations of the Securities and Exchange Commission for inclusion in Form 8-K of SL Green Realty Corp., and is not intended to be a complete presentation of the Property's revenues and expenses.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenues and certain expenses of the Property, as described in Note 1 for the year ended December 31, 1997 in conformity with generally accepted accounting principles.

/s/ Ernst & Young LLP

New York, New York  
March 31, 1998

Statement Of Revenues And Certain Expenses

(Dollars In Thousands)

Note 1

	Year Ended December 31, 1997
	-----
Revenues	
Rental revenue.....	\$ 1,183
Escalations and reimbursement revenue.....	36
Other income.....	1
	-----
Total revenues.....	1,220
	-----
Certain Expenses	
Property taxes.....	121
Utilities.....	38
Cleaning and service contracts.....	6
Payroll and expenses.....	61
Management fees.....	59
Repairs and maintenance.....	46
Professional fees.....	28
Insurance.....	20
Other operating expenses.....	6
	-----
Total certain expenses.....	385
	-----
Revenues in excess of certain expenses.....	\$ 835
	-----
	-----

See accompanying notes.

Notes to Statement Of Revenues And Certain Expenses

(Dollars In Thousands)

December 31, 1997

1. Basis Of Presentation

Presented herein is the statement of revenues and certain expenses related to the operations of the property located at 116 Nassau Street in Brooklyn, New York, (the "Property").

The accompanying financial statement has been prepared in accordance with the applicable rules and regulations of the Securities and Exchange Commission for the acquisition of real estate properties. Accordingly, the financial statement excludes certain expenses that may not be comparable to those expected to be incurred by SL Green Realty Corp., in the proposed future operations of the Property. Items excluded consist of interest, amortization and depreciation.

2. Use Of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect the amounts reported in the financial statement and accompanying notes. Actual results could differ from those estimates.

3. Revenue Recognition

The Property is leased to tenants under operating leases. Minimum rental income is generally recognized on a straight-line basis over the term of the lease. The excess of amounts so recognized over amounts due pursuant to the underlying leases amounted to approximately \$42 for the year ended December 31, 1997.

4. Concentration Of Revenue

The Property's revenue for the year ended December 31, 1997 was derived from two tenants.

5. Management Agreements

During 1997 the Property was managed by Murray Hill Property Management, Inc., (the "Management Company"), a related party. During the year ended December 31, 1997 the management fees were based on 5% of gross cash receipts. The management fee was \$59 for the year ended December 31, 1997.

6. Insurance Costs

The Property is included in an umbrella insurance policy that covers several properties managed by the Management Company. The Management Company allocates the costs of the policy on a per square foot basis.

7. Lease Agreements

The Property is being leased to tenants under operating leases with term expiration dates ranging from 1998 to 2009. The minimum rental amounts due under the leases are generally subject to scheduled fixed increases. The leases generally also require that the tenants reimburse the Property for increases in certain operating costs and real estate taxes above their base year costs. Approximate future minimum

Notes to Statement Of Revenues And Certain Expenses (continued)

(Dollars In Thousands)

December 31, 1997

7. Lease Agreements (Continued)

rents to be received over the next five years and thereafter for non-cancelable operating leases as of December 31, 1997 (exclusive of renewal option periods) are as follows:

1998.....	\$ 1,100
1999.....	1,200
2000.....	1,200
2001.....	1,000
2002.....	400
Thereafter.....	2,800
	-----
	\$ 7,700
	-----
	-----



Report Of Independent Auditors

To the Board of Directors of  
SL Green Realty Corp.

We have audited the statement of revenues and certain expenses of the property at 711 Third Avenue, as described in Note 1, for the year ended December 31, 1997. The financial statement is the responsibility of management of the Property. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement of revenues and certain expenses was prepared for the purposes of complying with the rules and regulations of the Securities and Exchange Commission for inclusion in Form 8-K of SL Green Realty Corp., and is not intended to be a complete presentation of the Property's revenues and expenses.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenues and certain expenses of the Property, as described in Note 1 for the year ended December 31, 1997 in conformity with generally accepted accounting principles.

/s/ Ernst & Young LLP

New York, New York  
March 24, 1998

711 Third Avenue  
Statement Of Revenues And Certain Expenses  
(Dollars In Thousands)  
Note 1

	Year Ended December 31, 1997 -----
Revenues	
Rental revenue.....	\$ 10,097
Escalations and reimbursement revenue.....	353
Other income.....	847
	-----
Total revenues.....	11,297 -----
Certain Expenses	
Ground rent.....	1,550
Property taxes.....	2,674
Utilities.....	638
Cleaning and service contracts:	
Related party.....	893
Other.....	272
Payroll and expenses.....	1,159
Management fees.....	172
Repairs and maintenance.....	396
Professional fees.....	89
Insurance.....	37
Other operating expenses.....	228
	-----
Total certain expenses.....	8,108 -----
Revenues in excess of certain expenses.....	\$ 3,189 ----- -----

See accompanying notes.

711 Third Avenue  
Notes to Statement Of Revenues And Certain Expenses  
(Dollars In Thousands)

December 31, 1997

1. Basis Of Presentation

Presented herein is the statement of revenues and certain expenses related to the operations of the property, located at 711 Third Avenue, in the borough of Manhattan in New York City, (the "Property").

The accompanying financial statement has been prepared in accordance with the applicable rules and regulations of the Securities and Exchange Commission for the acquisition of real estate properties. Accordingly, the financial statement excludes certain expenses that may not be comparable to those expected to be incurred by SL Green Realty Corp., ("SL Green"), in the proposed future operations of the Property. Items excluded consist of interest, amortization and depreciation.

SL Green has entered into an agreement to purchase 50% of the fee interest in the Property and upon completion of this transaction will enter a co-tenancy agreement with the other 50% fee owner. Additionally, SL Green has made an offer to purchase the existing mortgage loan which is collateralized by the leasehold interest in the Property and will enter into a sublease agreement for the leasehold interest. Upon the completion of the proposed transactions the ground rent will be adjusted in accordance with the purchase agreements.

2. Use Of Estimates

The preparation of financial statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect the amounts reported in the financial statement and accompanying notes. Actual results could differ from those estimates.

3. Revenue Recognition

The Property is leased to tenants under operating leases. Minimum rental income is generally recognized on a straight-line basis over the term of the lease. The excess of amounts so recognized over amounts due pursuant to the underlying leases amounted to approximately \$22 for the year ended December 31, 1997.

4. Concentration Of Revenue

Approximately 29% of the Property's revenue for the year ended December 31, 1997 was derived from two tenants.

5. Management Agreements

For the period January 1, 1997 through August 31, 1997 the Property was managed by Weiler Arnow Management Co., Inc., (the "Management Company"), an affiliate of the owner of the Property. The management fees were based on monthly fixed payments of \$16 plus administrative salaries. For the period September 1, 1997 through December 31, 1997 the Property was managed by Cushman & Wakefield Inc. and the management fees were based on monthly fixed payments of \$11 plus administrative salaries.

6. Related Party Transactions

The Property was provided cleaning services for the eight months ended August 31, 1997 by the Wieler Arnow Cleaning Company, which is wholly owned by the Management Company.

## Notes to Statement Of Revenues And Certain Expenses (continued)

(Dollars In Thousands)

December 31, 1997

## 6. Related Party Transactions (Continued)

The Property paid approximately \$893 in contract cleaning and \$122 of management, general and administrative costs to affiliated companies of the Property owner for the year ended December 31, 1997. In addition, the Property paid approximately \$1,550 of ground rent expense to an affiliated company of the Property owner for the year ended December 31, 1997.

## 7. Ground Rent

The Property is comprised of a triple net ground lease with a term expiring in July 2033, (the "Ground Lease"). In addition, the Ground Lease contains five ten year renewal options and requires fixed annual rent of approximately \$1,550. The rent is re-set at July 2001, July 2011 and July 2021 (and at the commencement of each of the five ten year renewal option periods), at the greater of (a) the net annual rental payable for the immediately preceding lease year, or (b) 7.75% of the fair market value of the land.

The ground rent may be adjusted for future periods due to the anticipated acquisition of the Property (as described in Note 1) by SL Green.

## 8. Benefit Plans

The Property employees are covered by multi-employer defined benefit pension plans and post-retirement health and welfare plans. Contributions to these plans amounted to \$101 for the year ended December 31, 1997.

## 9. Lease Agreements

The Property is being subleased to tenants under operating leases with term expiration dates ranging from 1998 to 2011. The minimum rental amounts due under the leases are generally subject to scheduled fixed increases. The leases generally also require that the tenants reimburse the Property for increases in certain operating costs and real estate taxes above their base year costs. Approximate future minimum rents to be received over the next five years and thereafter for non-cancelable operating leases as of December 31, 1997 (exclusive of renewal option periods) are as follows:

1998.....	\$	9,000
1999.....		8,800
2000.....		8,200
2001.....		7,100
2002.....		5,800
Thereafter.....		36,900
		-----
	\$	75,800
		-----
		-----

AGREEMENT

THIS AGREEMENT (this "Agreement") is made and entered into as of the 24th day of April, 1998, by and between The Comptroller of the State of New York as Trustee of the New York State Common Retirement Fund, having an address at 633 Third Avenue, New York, New York ("Seller") and SL Green Operating Partnership, L.P., having an address at 70 West 36th Street, New York, New York ("Purchaser").

R E C I T A L S

WHEREAS, Purchaser desires to purchase and Seller desires to sell that certain loan (the "Loan") evidenced and/or secured by that certain promissory note (the "Note"), mortgage (the "Mortgage") and assignment of leases and rents (the "Assignment of Leases and Rents") listed on Exhibit A annexed hereto and made a part hereof (the Note, the Mortgage and the Assignment of Leases and Rents being collectively referred to as the "Loan Documents").

NOW, THEREFORE, in consideration of the premises and the mutual agreements set forth herein, the parties hereby agree as follows:

1. Purchase of the Loan. For good and valuable consideration, the sufficiency of which is hereby acknowledged, Seller agrees to sell, assign and convey to Purchaser and Purchaser agrees to purchase and accept from Seller, all of Seller's right, title and interest in and to the Loan and the Loan Documents, subject to and in accordance with the terms and provisions of this Agreement.

2. Purchase Price. The purchase price (the "Purchase Price") is FORTY FIVE MILLION AND 00/100 DOLLARS (\$45,000,000.00), payable as follows:

(a) Upon execution of this Agreement, Purchaser shall pay to Seller the sum of THREE MILLION FIVE HUNDRED THOUSAND AND 00/100 DOLLARS (\$3,500,000.00) (the "Deposit"), which Deposit shall be made by wire transfer of immediately available funds pursuant to the wire instructions listed on Schedule I annexed hereto and made a part hereof and shall be deemed earned upon receipt by Seller and shall be non-refundable except (i) pursuant to Subsection 6(b) hereof or (ii) as otherwise provided herein; and

(b) On the Closing Date (hereinafter defined), Purchaser shall pay to Seller the sum of FORTY ONE MILLION FIVE HUNDRED THOUSAND AND 00/100 DOLLARS (\$41,500,000.00) (the "Balance") representing the balance of the Purchase Price, which payment shall be made by wire transfer of immediately available funds as Seller shall direct and shall be deemed earned upon receipt by Seller. Notwithstanding the provisions of this Subsection 2(b) to the contrary, the Balance shall be reduced by the amount of the Extension Deposit (hereinafter defined) paid by Seller to Purchaser, if any.

3. Term of Agreement. (a) The consummation of the purchase and sale of the Loan (the "Closing") shall take place at 10:00 a.m. on or before May 21, 1998 (said date being referred to as the "Closing Date") at the offices of Thacher Proffitt & Wood, Two World Trade Center, New York, New York 10048, or at such other location upon which Seller and Purchaser may mutually agree in writing.

(b)(i) Purchaser shall have the right to extend the Closing Date until July 1, 1998 (the "First Extension Date") by giving not less than five (5) days prior written notice to Seller and upon the payment to Seller, with said notice, of ONE MILLION AND 00/100 DOLLARS (\$1,000,000.00)(the "First Extension Deposit").

(ii) Purchaser shall have the right to further extend the Closing Date until July 31, 1998 by giving not less than five (5) days prior written notice to Seller and upon the payment to Seller, with said notice, of (A) an additional ONE MILLION AND 00/100 DOLLARS (\$1,000,000.00) (the "Second Extension Deposit"; the First Extension Deposit and the Second Extension Deposit are hereinafter referred to, individually and collectively, as the context may require as the "Extension Deposit") and (B) THREE HUNDRED SIXTY-THREE THOUSAND EIGHTY-TWO AND 19/100 DOLLARS (\$363,082.19) (the "Additional Fee").

(c) Notwithstanding the provisions of Subsection 3(b)(ii) to the contrary, at the Closing, Seller shall refund to Purchaser that portion of the Additional Fee paid by Seller that exceeds the product of (A) ELEVEN THOUSAND SEVEN HUNDRED TWELVE AND 33/100 DOLLARS (\$11,712.33) multiplied by (B) the number of day elapsed since the First Extension Date through and including the Closing Date.

#### 4. Closing Requirements.

(a) Obligations of Seller. (i) At Closing, subject to the payment of real estate taxes due and payable prior to the Closing Date, the escrow account then held by or on account of Seller in connection with the Loan shall be transferred to Purchaser by wire transfer of immediately available funds as Purchaser may direct, together with all account records in connection therewith.

(ii) At Closing, Seller shall deliver to Purchaser or Purchaser's designee:

(A) the original Note endorsed, without recourse, by allonge;

(B) the original Mortgage and an executed assignment of the Mortgage (the "Assignment of Mortgage") in substantially the form of Exhibit B annexed hereto and made a part hereof;

(C) the original Assignment of Leases and Rents and an executed assignment of the Assignment of Leases and Rents (the "Assignment of ALR") in substantially the form of Exhibit C annexed hereto and made a part hereof;

(D) an original counterpart of any other material document evidencing or securing the Note (other than the Loan Documents) or, in the event that Seller is unable to locate an original counterpart of any such document, a photocopy thereof certified as true and complete by Seller, and an executed omnibus assignment relating to such documents in substantially the form of Exhibit D annexed hereto and made a part hereof;

(E) assignments of UCC financing statements (collectively, the "UCC-3") pertaining to the Loan in substantially the form of Exhibit E-1 and Exhibit E-2 annexed hereto and made a part hereof;

(F) a statement under oath to establish the inapplicability of section 275 of the real property law of the State of New York (the "275 Affidavit") in substantially the form of Exhibit F annexed hereto and made a part hereof;

(G) a certification as to the then outstanding principal balance of the Note;

(H) such documents as may be necessary to substitute Purchaser and Purchaser's counsel as the plaintiff and the plaintiff's counsel, respectively, in the Action;

(I) reasonable proof of the authority of Seller's signatories; and

(J) such other documents as may be necessary to consummate the transactions contemplated herein.

Purchaser shall bear sole responsibility for, and the cost of, recording the Assignment of Mortgage, the Assignment of ALR, the UCC-3 and the 275 Affidavit and any other assignments and/or documents delivered to Purchaser at or after the Closing in connection with the Loan.

(b) Obligations of Purchaser. (i) At Closing, Purchaser shall pay, in addition to the Balance, all transfer, filing and recording fees, taxes, costs and expenses, and any applicable documentary taxes required to be paid by either Seller or Purchaser in connection with the transactions contemplated by this Agreement, and Purchaser hereby agrees to indemnify and hold Seller harmless from and against any and all claims, liabilities, costs, damages and expenses arising out of or in connection with Purchaser's failure to pay any such amounts on a timely basis. The provisions of this Section 4(b) shall survive the Closing. Nothing in this Section 4(b) shall be construed to make Purchaser liable to Seller for (i) legal fees and expenses incurred by Seller to Thacher Proffitt & Wood or Heitman Capital Management Corporation in connection with this Agreement and the transactions contemplated hereby or (ii) any mortgage recording taxes which were due and payable upon the original recordation of any of the recorded Loan Documents, but 711 Third Associates ("Borrower") shall remain liable for said taxes.

(ii) At Closing, Purchaser shall deliver to Seller certified copies of appropriate resolutions, directions and consents approving the execution and delivery of the documents to Purchaser necessary to complete the transactions contemplated by this Agreement, together with such other certificates of incumbency and other evidence of authority as Seller or Seller's counsel may reasonably require.

5. Pending Litigation. Upon the execution of this Agreement, with respect to that certain litigation entitled The Comptroller of the State of New York as Trustee of the New York State Common Retirement Fund v. 711 Third Associates currently pending in the Supreme Court of the State of New York, New York County under Index No. 114250/97 (the "Action"), Seller agrees not to have a court-appointed referee advertise or conduct a foreclosure sale of the Mortgaged Property (as defined in the Verified Complaint in the Action) until the earlier of (i) the expiration of the term of this Agreement, including any applicable extension periods pursuant to Section 3 hereof, and (ii) the occurrence of a default under this Agreement. Nothing contained herein shall be construed as a waiver of or, except as aforesaid, an agreement to forebear, from exercising any right or remedy of Seller as provided in the Loan Documents or at law or in equity, it being expressly understood that Seller will proceed with all steps necessary to have a Judgement of Foreclosure and Sale entered in the Action.

6. Crain's Lease. (a) Upon the execution of this Agreement and receipt by Seller of the Deposit, Seller agrees to join with Borrower in objecting to that certain proposed lease between Kenneth R. Feinberg, as Receiver of 711 Third Avenue, as landlord and Crain Communications Inc, as tenant (the "Crain's Lease") based upon Purchaser's representation that Purchaser will be unwilling to purchase the Loan if Seller fails to agree to join with Borrower in objecting to the Crain's Lease. Notwithstanding the foregoing, other than as provided in this Section 6, Purchaser's obligations hereunder are in no way contingent upon the execution, modification or amendment of the Crain's Lease.

(b) In the event that the Crain's Lease or another lease with Crain Communications Inc is executed and effective without Purchaser's written prior consent, the Deposit, the Extension Fee, if any, and the Additional Fee, if any, paid by Purchaser shall be refunded to Purchaser within five (5) Business Days (hereinafter defined) following written request by Purchaser to Seller.

7. No Representations/Warranties. Seller makes no representations nor gives any warranties relating to the Loan and the Loan Documents, which shall be sold by Seller and purchased and accepted by Purchaser "as-is, where is."

8. No Partnership. Nothing set forth in this Agreement shall be construed as making Seller, Purchaser and/or Borrower the partner, agent or joint venturer of any other party. Nothing set forth in this Agreement and no prior statement, act or inaction shall be construed as making Seller an operator or manager of the Mortgaged Property. Seller and Purchaser shall have no relationship to each other, other than as parties to this Agreement.

9. Brokers. Each party represents to the other that no broker brought about this Agreement. Each party shall indemnify, defend and hold the other party harmless against all claims, liabilities, costs, damages and expenses of any nature (collectively, the "Losses") arising out of any claim, demand or liability to or asserted by any broker, agent or finder, licensed or otherwise, claiming to have acted on behalf of or to have dealt with the other party in connection with the transactions contemplated by this Agreement. Furthermore, Purchaser agrees to indemnify, defend and hold Seller harmless against all Losses arising out of any claim, demand or liability to or asserted by any broker, agent or finder, licensed or otherwise, with respect to the Crain's Lease. The provisions of this Section 9 shall survive the Closing.



10. Default.

(a) Upon a default by Purchaser under this Agreement, Seller shall be entitled to terminate this Agreement upon notice to Purchaser and retain the Deposit, the Extension Deposit, if any, and the Additional Fee, if any, as liquidated damages, as its sole remedy.

(b) Upon a default by Seller under this Agreement, Purchaser, as and for its sole remedy arising out of such breach, shall have the right to either (i) terminate this Agreement upon notice to Seller, in which event Seller shall return the Deposit, the Extension Deposit, if any, and the Additional Fee, if any, and neither party shall thereafter have any further obligations under this Agreement or (ii) seek specific performance of the obligations of Seller under this Agreement; provided, however, that in no event shall Purchaser be entitled to monetary damages.

11. 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 applicable federal law and the laws of the State of New York, without reference or giving effect to any choice of law doctrine.

12. Notices. All notices or other written communications hereunder shall be deemed to have been properly given (a) upon delivery, if delivered in person, (b) one (1) Business Day after having been deposited for overnight delivery with any reputable overnight courier service, or (c) three (3) 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, addressed as follows:

If to Seller:                   The Comptroller of the State of New York as  
Trustee of the New York State Common  
Retirement Fund  
633 Third Avenue, 31st Floor  
New York, New York 10017  
Attention: Mr. Martin Levine

with a copy (which shall not constitute notice) to:

Thacher Proffitt & Wood  
Two World Trade Center  
New York, New York 10048

Attention: Joseph P. Forte, Esq.

and

Heitman Capital Management Corporation  
180 North LaSalle Street  
Chicago, Illinois 60601  
Attention: Mr. Dwight P. Fawcett,  
Executive Vice President

If to Purchaser: SL Green Operating Partnership L.P.  
70 West 36th Street  
New York, New York 10018  
Attention: Benjamin P. Feldman, Esq.

with a copy (which shall not constitute notice) to:

Robinson Silverman Pearce Aronsohn & Berman  
1290 Avenue of the Americas  
New York, New York 10104  
Attention: Jonathan S. Margolis, Esq.

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.

13. Time. Time is of the essence for all provisions of this Agreement.

14. Interpretation. The headings of the various sections of this Agreement are for convenience of reference only and shall not affect the meaning or construction of any provisions hereof.

15. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be an original but all of which, taken together, shall constitute one and the same instrument.

16. Authority. Each party executing this Agreement represents to the other party that such party has the full authority and legal right and power to do so.

17. Additional Documents or Acts. The parties hereto shall execute all additional documents and do all acts not specifically referred to herein which are reasonably necessary to fully effectuate the intent of this Agreement.

18. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns.

19. No Amendment or Modification. No amendment, supplement or modification of this Agreement shall be effective against a party against whom the enforcement of such amendment, supplement or other modification would be asserted, unless such amendment, supplement or modification was made in a writing signed by such party. Purchaser acknowledges and agrees that all future discussions with Seller shall be without prejudice to Seller and shall not be deemed to modify, waive or amend any term or provision of this Agreement or the Loan Documents.

20. Costs and Expenses. Except as otherwise provided herein, each party shall be solely responsible for their own costs and expenses (including legal expenses) incurred with respect to this Agreement and the transactions contemplated hereby.

21. Entire Agreement. This Agreement (together with the Exhibits annexed hereto) sets forth the entire agreement and understanding of the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings between the parties hereto with respect to the transactions contemplated hereby.

22. Review by Counsel. Seller and Purchaser each expressly acknowledge that their respective counsel have reviewed this Agreement, and that each has had the opportunity to consult with their attorney prior to executing this Agreement.

23. Purchaser's Representation. Purchaser represents that simultaneously with the execution of this Agreement, Purchaser is entering into an agreement with the principals of Borrower with respect to said principals interest in the Mortgaged Property.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF, the parties hereto have set their hands the day and year first above written.

SELLER

-----

THE COMPTROLLER OF THE STATE OF NEW YORK AS TRUSTEE  
OF THE NEW YORK STATE COMMON RETIREMENT FUND

By: /s/ John E. Hull

-----  
Name:

Title:

PURCHASER

-----

SL GREEN OPERATING PARTNERSHIP, L.P.

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

By: /s/ Stephen L. Green

-----  
Name:  
Title:

EXHIBIT A

-----

1. Promissory note dated July 29, 1988 executed and delivered by 711 Third Associates to The Comptroller of the State of New York as Trustee of the New York State Common Retirement Fund in the principal sum of \$46,000,000.00.
2. Mortgage dated July 29, 1988 executed and delivered by 711 Third Associates to The Comptroller of the State of New York as Trustee of the New York State Common Retirement Fund recorded on August 9, 1988 in the Office of the City Register of the County of New York, State of New York in Reel 1444 of Mortgages, page 1573.
3. Assignment of Leases and Rents dated July 29, 1988 executed and delivered by 711 Third Associates to The Comptroller of the State of New York as Trustee of the New York State Common Retirement Fund recorded on August 9, 1988 in the Office of the Clerk of the County of New York, State of New York in Reel 1444, page 1673.

SCHEDULE I

Seller's Wire Instructions

-----

Mellon Bank N.A.  
Pittsburgh, Pennsylvania

For Credit To:	Mellon Mortgage Company
Account No.:	022-5963
ABA No.:	043000261
Loan No.:	90-090-4352

SL GREEN OPERATING PARTNERSHIP, L.P.

70 West 36th Street

New York, New York 10018

April 22, 1998

The Swig Investment Company  
220 Montgomery Street - 20th floor

San Francisco, CA 94104  
Att: Jeanne R. Myerson, President

The Weiler-Arnov Investment Company  
1114 Avenue of the Americas - Suite 3400

New York, New York 10036  
Att: Alan Weiler

Re: 711 Third Avenue, New York, New York

Dear Jeanne and Alan:

Set forth herein are the terms and conditions of an agreement among The Swig Investment Company ("Swig"), TheWeiler-Arnov Investment Company ("WAIC") and SL Green Operating Partnership, L.P. ("Green") with respect to a proposed transaction involving 711 Third Avenue, New York, New York (the "Property").

The terms of the transaction are as follows:

1. (a) At the Closing (as hereinafter defined), the entity that owns the fee estate in the Property (the "Fee Owner") shall liquidate and distribute to each of Swig and WAIC or its affiliate a 50% undivided interest in the fee estate. Immediately thereafter, Green or any affiliate of Green (such affiliate, "SLG") will purchase the Swig's 50% undivided interest in the fee estate for \$19,000,000 in cash and the equivalent of \$1,000,000 in limited partnership interests in Green (the "OP Units"). Such equivalent shall be determined on the basis of the average closing price of a common share of the REIT (as hereinafter defined) on the New York Stock Exchange on the 20 trading days immediately prior the Closing. Swig and WAIC shall each remain liable for 50% of any obligations of the Fee Owner arising prior to the Closing which are neither directly related to the operation of the Property nor otherwise obligations of the Leasehold Owner.

(b) At the Closing, SLG and WAIC shall enter into a co-tenancy agreement (the "Co-Tenancy Agreement") which will provide that all decisions will require the consent of both co-tenants, except that, to avoid any real or potential conflict of interest, at any time that the tenant under the Ground Lease (as hereinafter defined) or the subtenant under the Sublease (as hereinafter defined) is directly or indirectly "affiliated" (which term shall be defined in the Co-Tenancy Agreement in a manner acceptable to WAIC) with the SLG co-tenant, the WAIC co-tenant shall have the exclusive right, without the consent of the SLG co-tenant, on behalf of the fee ownership, to administer the fee interest vis-a-vis the Ground Lease and to take all actions, make all determinations, exercise (or refrain from exercising) all rights and remedies and grant or withhold all consents and approvals with respect to the Ground Lease, including, without limitation, the right to (x) designate the arbitrator and exercise all other rights of the fee ownership in any rent arbitration under the ground lease (the "Ground Lease") dated July 29, 1988 between the Fee Owner and the owner of the leasehold estate in the Property (the "Leasehold Owner"), (y) declare a default under the Ground Lease and (z) make all decisions and exercise all

rights of consent concerning any subtenants of any tier, mortgages affecting the leaseholds created by the Ground Lease and/or the Sublease or any other sublease, requests for nondisturbance agreements, alterations, etc. This right of WAIC described in the preceding sentence shall be set forth in both the Co-Tenancy Agreement and the amendment of the Ground Lease described below (and a memorandum thereof to be recorded) and all such documents shall contain an irrevocable power of attorney from the SLG co-tenant to the WAIC co-tenant in furtherance thereof. Each co-tenant shall have a right of first offer with respect to the sale of the other co-tenant's interest in the fee ownership. The Co-Tenancy Agreement shall prohibit either co-tenant from seeking partition of the fee estate. The Co-Tenancy Agreement shall not be deemed to create any partnership or joint venture relationship or any fiduciary obligations. All references in this Paragraph 1(b) to "SLG co-tenant" and "WAIC co-tenant" shall be deemed to include their respective successors and assigns (whether affiliated or unaffiliated).

(c) \_\_\_\_\_ Each OP Unit referred to in this Agreement will be convertible into one share of SL Green Realty Corp. (the "REIT"). No fractional OP Units shall be issued, and therefore any fractional OP Unit shall be rounded up or down. The OP Units shall have the same rights, privileges and other benefits as other limited partnership interests in Green in existence as of the date hereof, and are described in Form S-11 dated April 11, 1998. If Swig converts any OP Units into stock in the REIT, Green shall at its expense cause such stock to be registered the next time (after such conversion) that the REIT registers any stock in the REIT. If said stock has not been registered within 90 days of such conversion, Swig shall have the right to require Green to purchase said stock for its equivalent value in cash.

2. \_\_\_\_\_ At the Closing, the Ground Lease shall remain unmodified except that (a) the Net Annual Rent (as defined therein) from the Closing until July 28, 2011 shall be \$2,700,000 [to be revised if the closing occurs after July 1, 1998 to give the fee owners the equivalent of \$2,700,000 per annum from July 1, 1998 to July 28, 2011], (b) the Net Annual Rent for the period from July 29, 2011 through July 28, 2021, shall be \$3,100,000 (rather than \$2,700,000) or 7.75% of the Fair Market Value of the Land (as such terms are defined in the Ground Lease), whichever is greater, (c) all payment of Net Annual Rent shall be made 50% directly to the WAIC co-tenant and 50% directly to the SLG co-tenant, and (d) as described in Section 1(b) above. Notwithstanding anything to the contrary contained elsewhere in this Agreement, except as expressly provided in this Paragraph 2, WAIC shall not be required to agree to any modification of the Ground Lease.



3. \_\_\_\_\_ (a) \_\_\_\_\_ Simultaneously herewith, Green has entered into a contract of sale (the "Fund Contract") with the Comptroller of the State of New York as Trustee for the New York State Common Retirement Fund (the "Fund"), to purchase the existing mortgage loan encumbering the leasehold interest in the Property (the "Mortgage Loan"). Green acknowledges that the Fund has commenced an action to foreclose the Mortgage Loan (the "Foreclosure Action") and has had a receiver appointed for the Property in connection therewith (the "Receiver"). The closing of the transactions contemplated hereby (the "Closing") will occur simultaneously with the closing of the transactions under the Fund Contract.

(b) At the Closing, WAIC shall pay to SLG \$1,050,000.00 as a lease restructuring fee.

(c) \_\_\_\_\_ The Leasehold Owner shall continue to have the right to take such steps with regard to the Mortgage Loan as it deems appropriate to protect its interests in the Property, provided, however, that neither Swig nor WAIC shall take any action on behalf of the Leasehold Owner that would impair its ability to close the transactions contemplated hereby without the prior consent of Green unless Swig or WAIC, as applicable, in good faith believes that such action is necessary to prevent a loss of the Leasehold Owner's interest in the Ground Lease or a material diminution in the value thereof. If a bankruptcy petition is filed by or against (other than by SLG or Green) the Leasehold Owner, Green may terminate this Agreement.

(d) \_\_\_\_\_ As among SIC, WAIC and Green, upon Closing, Green shall be entitled to any and all monies held by the Fund and/or its advisor and/or the Receiver in connection with the Property.

4. \_\_\_\_\_ At the Closing, Green and the Leasehold Owner shall modify the Mortgage Loan as follows: (a) the Mortgage Loan shall be restructured as a \$45,000,000 loan maturing 15 years from the Closing, (b) the Mortgage Loan shall be interest only with an interest rate of 7.75% per annum (360 day year), (c) the Mortgage Loan shall be non-recourse to the Leasehold Owner (with no recourse to Swig or WAIC, other than to the extent of their respective interests in the Leasehold Owner), (d) the holder of the Mortgage Loan shall have no ability to reduce same (other than upon payment by the Leasehold Owner) without the consent of the Leasehold Owner, (e) the monetary grace period shall be 30 days after notice and the nonmonetary grace period shall be 30 days after notice or such longer period of time as is reasonably necessary to cure the default (including any period of time reasonably necessary to obtain performance by any subtenant of its obligations in respect of such default), (f) the Mortgage Loan shall be modified to incorporate any lock box arrangements reasonably required by the holder thereof with respect to the rent payable by the tenant under the Sublease, and (g) the Foreclosure Action shall be discontinued, with prejudice. The holder of the Mortgage Loan shall have the right to pledge the same without the consent of the Leasehold Owner. Swig and WAIC shall cause the Leasehold Owner to cooperate with SLG, at no cost or expense to the Leasehold Owner, Swig, or WAIC, in discharging the Receiver as soon as possible after the Closing.

5. \_\_\_\_\_ At the Closing, the Leasehold Owner will enter into a sublease with SLG (the "Sublease"). The Sublease will be on the same terms as the Ground Lease except that (a) the term shall be twenty-five years from the Closing, (b) the fixed rent per annum will be equal to \$6,247,937.50 for the period from the Closing until July 28, 2011, and \$6,647,937.50 plus the amount, if any, by which the Fixed Annual Rent under the Ground Lease exceeds \$3,100,000, for the period from July 29, 2011 until the end of the term of the Sublease, (c) the subtenant shall have the right, on behalf of the Leasehold Owner, to exercise the Leasehold Owner's rights with respect to the determination of the Fixed Annual Rent payable under the Ground Lease for the ten year period beginning July 29, 2011, (d) the subtenant shall have the unlimited right to obtain institutional financing with respect to its interest in the Sublease, (e) the subtenant will assume liability for all obligations relating to the operation, leasing, management and ownership of the Property, including obligations in respect of periods preceding the Closing and/or the receivership, and shall indemnify the Leasehold Owner (and its predecessors in interests) therefor, (provided that the foregoing assumption and indemnity as to "ownership" of the Property are not intended to apply to an obligation of a present or past owner of the Property where such obligation is not related to the Property), (f) the Sublease shall contain an option on the part of the subtenant to purchase the interest of the Leasehold Owner in the Ground Lease during the one year period beginning on the twelfth anniversary of the Closing by taking title subject to the Mortgage Loan or any substitute or replacement thereof which does not exceed \$45,000,000 and causing Green to deliver to the Leasehold Owner the equivalent of \$1,000,000 in OP Units (determined as of the date of the Closing in the manner provided in Section 1(a) above, and adjusted for dilution and certain other extraordinary events which affect the number and/or value of OP Units or shares of the REIT (or the respective successors of Green or the REIT) outstanding, after the date of Closing), if the subtenant is Green or an affiliate thereof (in which event the transaction will be structured as a contribution pursuant to Section 721 of the Internal Revenue Code), or such other amounts as shall be agreed to between Green and the Leasehold Owner based upon the then value of such OP Units if the subtenant is not Green or an affiliate thereof, or, in either event, if at the time of such purchase there is no market or published price for REIT (or such successors') shares, then the purchase price will be based on the last published price for such shares, as increased by a rate equal to 5.5% per annum, (g) the subtenant shall have a right of first offer with respect to the sale of the interest of the Leasehold Owner in the Ground Lease or the sale by Swig and/or WAIC of their interests in the Leasehold Owner (other than sales or transfers to members or their affiliates), (h) the Property will be subleased "as is" to the subtenant and the covenant of quiet enjoyment will be subject to the rights of the holder of the Leasehold Mortgage, (i) if the Leasehold Mortgage is foreclosed (whether or not the holder of the Leasehold Mortgage is then affiliated with Green or the tenant under the Sublease) following a default by the tenant under the Sublease, Green shall pay, as liquidated damages to each of WAIC and Swig an amount equal to \$185,000 multiplied by the then number of years (including partial years) remaining until the 12th anniversary of the Closing and (j) so long as the Ground Lease is in effect, the consent of the Leasehold Owner to alterations by or on behalf of the tenant under the Sublease shall not be required provided that (1) the alterations will not reduce the value of the Property or the size of the improvements or result in the construction of a new building and (2) any consent by the fee owners to such alterations required pursuant to the terms of the Ground Lease has been obtained (provided that if for any reason the Ground Lease is terminated and the Sublease becomes a direct lease between the fee owners and the subtenant, the fee owners shall have the same consent rights as to alterations as are provided for in the Ground Lease). The Subtenant under the Sublease and the fee owners will enter into a nondisturbance and attornment agreement in a form acceptable to WAIC. It is the intention of the parties that the income taxes incurred by WAIC and Swig upon the exercise of the option set forth in Section 5(f) above shall not exceed the income taxes that would be payable by WAIC and Swig if the Leasehold Owner sold its interest in the Ground Lease on the date hereof, assuming that the interest in the Ground Lease were the only asset of WAIC and Swig and assuming no change in any tax laws or rates, and the parties shall not take any action inconsistent with such intent.

6. \_\_\_\_\_ Green will be responsible for any transfer taxes payable in connection with the Closing, and shall pay for any title insurance it elects to obtain. There shall be no prorations of any items of income or expense of the Property.

7. \_\_\_\_\_ This letter agreement amends and restates in its entirety that certain letter dated December 8, 1997 from Green to Swig, agreed to by Swig, and that certain letter dated March 6, 1998 from Green to Swig, agreed to by Swig.

8. \_\_\_\_\_ During the term of this Agreement, Swig and WAIC shall provide, to the extent in their possession, copies of such agreements and other information relating to the Property, the Fee Owner and the Leasehold Owner as Green shall reasonably request, including without limitation, partnership agreements, tax returns, loan documents, title policies, surveys, leases, service contracts, brokerage agreements, etc. Green shall keep the contents of all such documents confidential in accordance with the provisions of the agreement between Green and Swig dated October 29, 1997. Green shall also have such access to the Property as may be made available to Green by the Receiver. Green hereby agrees to indemnify and hold harmless the fee owners and the Leasehold Owner and their direct and indirect partners and principals from and against any and all losses and/or damages that either may incur by reason of any such access by Green. During the term of this Agreement, (a) Swig and WAIC shall not cause the Leasehold Owner to enter into or consent to the entering into of any contract or lease relating to the Property without the prior written consent of Green, which consent may be withheld by Green in its sole discretion (it being understood that the Leasehold Owner may not have the right to consent to all contracts and/or leases entered into by the Receiver), (b) Swig and WAIC shall not admit additional beneficial owners into the Fee Owner or the Leasehold

Owner or modify any of the organizational documents of such entities in a manner which would impair their obligations hereunder (but WAIC and/or Swig may convey all or a portion of its interest in the Fee Owner and/or Leasehold Owner to an affiliate and the Leasehold Owner may convert to a limited liability company) and (c) for so long as the Fund Contract is in full force and effect, Swig and WAIC shall not take any action in the Foreclosure Action which would have a material adverse effect on Green without the prior written consent of Green, except as set forth in Section 3(c)

9. \_\_\_\_\_ Each party hereby represents to the others that it dealt with no broker, finder or other agent in connection with the transactions contemplated herein. Each party shall indemnify the other parties from any liability incurred as the result of a breach of the above-mentioned representation by the indemnifying party.

10. \_\_\_\_\_ Each party shall pay its own legal fees and related expenses in connection with the transactions contemplated herein.

11. \_\_\_\_\_ It shall be a condition of Green's obligations under this Agreement that at the Closing (a) title to the Property shall be good, marketable and insurable, free and clear of all liens, restrictions, easements, encumbrances, leases and tenancies except for the items set forth in Lawyers Title Insurance Corporation title commitment number MTM-8289-M dated November 30, 1977, as amended on February 25, 1998, and tenant leases, (b) Swig and WAIC shall have performed all of their covenants, undertakings and obligations set forth herein, (c) the closing of the acquisition by SLG of the Mortgage Loan shall have occurred as set forth in the Fund Contract, (d) the Fee Owner shall have been converted to a tenancy in common and WAIC and SLG shall have executed the Co-Tenancy Agreement containing the provisions set forth in Section 1 hereof, (e) the Fee Owner and the Leasehold Owner shall have entered into an amendment of the Ground Lease containing the provisions set forth in Section 2 hereof (the "Ground Lease Amendment"), (f) the garage portion of the Property shall be delivered to SLG free of any leases, licenses or rights of occupancy, (g) the Leasehold Owner and SLG shall have entered into the Sublease upon the terms set forth in Section 5 hereof, (h) the Leasehold Owner and SLG shall have modified the Mortgage Loan as set forth in Section 4 hereof, and (i) the proposed lease with Crain's shall not have been entered into without Green's consent, which consent may be withheld in Green's sole discretion.

12. \_\_\_\_\_ It shall be a condition of WAIC's obligations hereunder that at the Closing (a) Green and Swig shall have performed all of their covenants, undertakings and obligations set forth herein, (b) the closing of the acquisition by SLG of the Mortgage Loan shall have occurred, (c) the Sublease, the Co-Tenancy Agreement and the Ground Lease Amendment shall have been executed, (d) the Mortgage Loan shall have been restructured as set forth in Section 4 hereof and (e) the operating agreement of Leasehold Owner shall have been amended to provide that WAIC may withdraw as a member thereof at any time.

13. \_\_\_\_\_ It shall be a condition of Swig's obligations hereunder that at the Closing (a) Green and WAIC shall have performed all of their covenants, undertakings and obligations set forth herein, (b) the closing of the acquisition by SLG of the Mortgage Loan shall have occurred, (c) the Sublease and the Ground Lease Amendment shall have been executed, and (d) the Mortgage Loan shall have been restructured as set forth in Section 4 hereof.

14. \_\_\_\_\_ Green shall not extend the closing date under the Fund Contract beyond August 15, 1998 without the prior written consent of WAIC and Swig.

15. \_\_\_\_\_ If the Fund Contract terminates or the Fund gives notice of such termination or the closing under the Fund Contract has not occurred by August 15, 1998, any party hereto may terminate this Agreement.

16. \_\_\_\_\_ Green shall promptly deliver to WAIC and Swig copies of all notices given or received by Green under or relating to the Fund Contract.

17. \_\_\_\_\_ If WAIC defaults under or breaches this Agreement, Green's sole and exclusive remedy shall be at Green's election (i) specific performance or (ii) to terminate this Agreement and seek damages; provided, however, that, notwithstanding anything to the contrary contained in this Agreement: (x) neither Green nor Swig shall have any recourse to any assets of WAIC other than the interest of WAIC in the Leasehold Owner and (y) in no event whatsoever shall any direct or indirect officer, employee, representative, agent, principal or partner (whether disclosed or undisclosed) of WAIC have any liability for the obligations of WAIC under this Agreement or arising from any breach hereof.

18. \_\_\_\_\_ If Swig defaults under or breaches this Agreement, Green's sole and exclusive remedy shall be at Green's election (i) specific performance or (ii) to terminate this Agreement and seek damages; provided, however, that, notwithstanding anything to the contrary contained in this Agreement: (x) neither Green nor WAIC shall have any recourse to any assets of Swig other than the interest of Swig in the Leasehold Owner and (y) in no event whatsoever shall any direct or indirect officer, employee, representative, agent, principal or partner (whether disclosed or undisclosed) of Swig have any liability for the obligations of Swig under this Agreement or arising from any breach hereof.

19. \_\_\_\_\_ WAIC and Swig shall, at SLG's request, cause the Leasehold Owner to cooperate with SLG in connection with terminating any union agreements and/or the employees thereunder; provided, however, that SLG shall pay any and all amounts due in connection therewith and shall cause the REIT to indemnify, defend and hold harmless WAIC, Swig and the Leasehold Owner (and their respective direct and indirect principals and partners) from and against any and all liability, claims, damages, costs and expenses (including attorney's fees) incurred by any of WAIC, Swig and/or the Leasehold Owner (and their respective direct and indirect principals and partners) in connection therewith.

Please indicate your agreement to the foregoing by signing this letter in the location indicated below. This letter agreement shall become effective upon the exchange of telecopy counterparts.

SL GREEN OPERATING PARTNERSHIP, L.P.

By: SL Green Realty Corp., general partner

By: /s/ Stephen L. Green

-----  
Stephen L. Green, Chief Executive Officer

Accepted and Agreed To:

THE SWIG INVESTMENT COMPANY

By: /s/ Jeanne R. Myerson

-----  
Jeanne R. Myerson,  
President

THE WEILER-ARNOW INVESTMENT COMPANY

By: /s/ Alan G. Weiler

-----  
Alan G. Weiler  
Associate General Manager

154 Contract of sale for New York office,  
commercial and multi-family residential premises.

Distributed by Julius Blumberg, Inc.  
NYC 10013

Prepared by the Real Property Committee of the Association of the Bar of the  
City of New York.

NOTE: This form is intended to cover matters common to most transactions.  
Provisions should be added, altered or deleted to suit the circumstances of a  
particular transaction.

Contract of Sale -- Office, Commercial and Multi-Family Residential Premises  
-----

Table of Contents

- Section 1. Sale of premises and acceptable title
- Section 2. Purchase price, acceptable funds, existing mortgages, purchase money mortgage, escrow of downpayment and foreign persons
- Section 3. The closing
- Section 4. Representations and warranties of seller
- Section 5. Acknowledgements of purchaser
- Section 6. Seller's obligations as to leases
- Section 7. Responsibility for violations
- Section 8. Destruction, damage or condemnation
- Section 9. Covenants of seller
- Section 10. Seller's closing obligations
- Section 11. Purchaser's closing obligations
- Section 12. Apportionments
- Section 13. Objections to title, failure of seller or purchaser to perform and vendee's lien
- Section 14. Broker
- Section 15. Notices
- Section 16. Limitations on survival of representations, warranties, covenants and other obligations
- Section 17. Gains tax and miscellaneous provisions
- Signatures and receipt by escrowee
- Schedule A. Description of premises (to be attached)
- Schedule B. Permitted exceptions
- Schedule C. Purchase price
- Schedule D. Miscellaneous
- Schedule E. Rent schedule (to be attached)

CONTRACT dated March 25, 1998 between Ninth Avenue Associates, a New York limited partnership, having offices c/o Murray Hill Property Management, Inc., 440 Ninth Avenue - Penthouse, New York New York 10001

("Seller") and SL Green Operating Partnership, L.P., a Delaware limited partnership, having an address c/o SL Green Realty Corp., 70 West 36th Street, New York, New York 10018

("Purchaser").

Seller and Purchaser hereby covenant and agree as follows:

Section 1. Sale of Premises and Acceptable Title

ss.1.01. Seller shall sell to Purchaser, and Purchaser shall purchase from Seller, at the price and upon the terms and conditions set forth in this contract: (a) the parcel of land more particularly described in Schedule A attached hereto ("Land") [INSERT 1]; (b) [INSERT 2] all buildings and improvements situated on the Land (collectively, "Building"); (c) all right, title and interest of Seller, if any, in and to the land lying in the bed of any street or highway in front of or adjoining the Land to the center line thereof and to any unpaid award for any taking by condemnation or any damage to the Land by reason of a change of grade of any street or highway; (d) the appurtenances and all the estate and rights of Seller in and to the Land and Building; and (e)

all right, title and interest of Seller, if any, in and to the fixtures, [INSERT 2A] equipment attached or appurtenant to the Building (collectively, "Premises"). [INSERT 2B] The Premises are located at or known as

440 Ninth Avenue  
New York, New York

ss.1.02. Seller shall convey and Purchaser shall accept fee simple title to the Premises in accordance with the terms of this contract, subject only to: (a) the matters set forth in Schedule B attached hereto (collectively, "Permitted Exceptions"); and (b) such other matters as (i) the title insurer specified in Schedule D attached hereto (or if none is so specified, then any title insurer licensed to do business by the State of New York) shall be willing, without special premium, to omit as exceptions to coverage or to except with insurance against collection out of or enforcement against the Premises.

Section 2. Purchase Price, Acceptable Funds, Existing Mortgages, Purchase Money Mortgage and Escrow of Downpayment

ss.2.01. The purchase price ("Purchase Price") to be paid by Purchaser to Seller for the Premises as provided in Schedule C attached hereto is \$29,000,000.00

ss.2.02. All monies payable under this contract, unless otherwise specified in this contract, shall be paid by (a) certified checks of Purchaser or any person making a purchase money loan to Purchaser drawn on any bank, savings bank, trust company or savings and loan association having a banking office in the State of New York [INSERT 3] official bank checks drawn by any such banking institution, payable to the order of Seller [INSERT 4] except that uncertified checks of Purchaser payable to the order of Seller up to the amount of one-half of one percent of the Purchase Price shall be acceptable for sums payable to Seller at the Closing.



ss.2.05. (a) The sum paid under paragraph (a) of Schedule C [INSERT 5] other sums paid on account of the Purchase Price prior to the Closing (collectively, "Downpayment") [INSERT 6] paid by check or checks drawn to the order of and delivered to [INSERT 7] ("Escrowee"). The Escrowee shall hold the proceeds thereof in escrow in a special bank account (or as otherwise agreed in writing by Seller, Purchaser and Escrowee) until the Closing or sooner termination of this contract and shall pay over or apply such proceeds in accordance with the terms of this section. Escrowee [INSERT 8] hold such proceeds in an interest-bearing account. Any interest earned thereon shall be paid to the same party entitled to the escrowed proceeds, and the party receiving such interest shall pay any income taxes thereon. The tax identification numbers of the parties are either set forth in Schedule D or shall be furnished to Escrowee upon request. At the Closing, such proceeds and the interest thereon, if any, shall be paid by Escrowee to Seller [INSERT 9]. If for any reason the Closing does not occur and either party makes a written demand upon Escrowee for payment of such amount, Escrowee shall give written notice to the other party of such demand. If Escrowee does not receive a written objection from the other party to the proposed payment within 10 business days after the giving of such notice, Escrowee is hereby authorized to make such payment. If Escrowee does receive such written objection within such 10 day period or if for any other reason Escrowee in good faith shall elect not to make such payment, Escrowee shall continue to hold such amount until otherwise directed by written instructions from the parties to this contract or a final judgment of a court. However, Escrowee shall have the right at any time to deposit the escrowed proceeds and interest thereon, if any, with the clerk of the Supreme Court of the county in which the Land is located. Escrowee shall give written notice of such deposit to Seller and Purchaser. Upon such deposit Escrowee shall be relieved and discharged of all further obligations and responsibilities hereunder.

(b) The parties acknowledge that Escrowee is acting solely as a stakeholder at their request and for their convenience, that Escrowee shall not be deemed to be the agent of either of the parties, and that Escrowee shall not be liable to either of the parties for any act or omission on its part unless taken or suffered in bad faith, in willful disregard of this contract or involving gross negligence. Seller and Purchaser shall jointly and severally indemnify and hold Escrowee harmless from and against all costs, claims and expenses, including reasonable attorneys' fees, incurred in connection with the performance of Escrowee's duties hereunder, except with respect to actions or omissions taken or suffered by Escrowee in bad faith, in willful disregard of this contract or involving gross negligence on the part of Escrowee.

[INSERT 10]

(c) Escrowee has acknowledged agreement to these provisions by signing in the place indicated on the signature page of this contract.

### Section 3. The Closing

ss.3.01. Except as otherwise provided in this contract, the closing of title pursuant to this contract ("Closing") shall take place on the scheduled date and time of closing specified in Schedule D (the actual date of the Closing being herein referred to as "Closing Date") at the place specified in Schedule D.

### Section 4. Representations and Warranties of Seller

Seller represents and warrants to Purchaser as follows:

ss.4.01. Unless otherwise provided in this contract, Seller is the sole owner of the Premises.

ss.4.02.

ss.4.03.

If any Lease which have been exhibited to and initialed by Purchaser or its representative contain provisions that are inconsistent with the foregoing representations and warranties, such representations and warranties shall be deemed modified to the extent necessary to eliminate such inconsistency and to conform such representations and warranties to the provisions of the Leases.

ss.4.04.

ss.4.05.

ss.4.06. [INSERT 11] lists all insurance policies presently affording coverage with respect to the Premises, and the information contained therein is accurate as of the date set forth therein or, if no date is set forth therein, as of the date hereof.

ss.4.07 [INSERT 12] list all employees presently employed at the Premises, and the information contained therein is accurate as of the date set forth therein or, if no date is set forth therein, as of the date hereof, and, except as otherwise set forth in such schedule, [INSERT 13] covered by a union contract and there are no retroactive increases or other accrued and unpaid sums owed to any employee.

ss.4.08.

ss.4.09. The copy of a certificate of occupancy for the Premises exhibited to and initialed by Purchaser or its representative, is a true copy of the original and such certificate has not been amended, but Seller makes no representation as to compliance with any such certificates [INSERT 13A].

ss.4.10. The assessed valuation and real estate taxes set forth in Schedule D, if any, are the assessed valuation of the Premises and the taxes paid or payable with respect thereto for the fiscal year indicated in such schedule. Except as otherwise set forth in Schedule D, there are no tax abatements or exemptions affecting the Premises.

ss.4.11. [INSERT 14]

ss.4.12. Seller has no actual knowledge that any incinerator, boiler or other burning equipment on the Premises is being operated in violation of applicable law. [INSERT 15] copies of a certificate or certificates of operation therefor have been exhibited to and initialed by Purchaser or its representative, such copies are true copies of the originals.

ss.4.13. Except as otherwise set forth in Schedule D, Seller has no actual knowledge of an assessment payable in annual installments, or any part thereof, which has become a lien on the Premises.

## Section 5. Acknowledgements of Purchaser

Purchaser acknowledges that:

ss.5.01. Purchaser has inspected the Premises, is fully familiar with the physical condition and state of repair thereof, and, subject to the provisions of ss.7.01, ss.8.01, and ss.9.04, shall accept the Premises "as is" and in their present condition, subject to reasonable use, wear, tear and natural deterioration between now and the Closing Date, without any reduction in the Purchase Price for any change in such condition by reason thereof subsequent to the date of this contract.

ss.5.02. In entering into this contract, Purchaser has not been induced by and has not relied upon any representations, warranties or statements, whether express or implied, made by Seller or any agent, employee or other representative of Seller or by any broker or any other person representing or purporting to represent Seller, which are not expressly set forth in this contract, whether or not any such representations, warranties or statements were made in writing or orally. [INSERT 15A]

## Section 6. Seller's Obligations as to Leases

ss.6.01. Unless otherwise provided in a schedule attached to this contract, between the date of this contract and the Closing, Seller shall not, without Purchaser's prior written consent, amend, renew or extend any [INSERT 16] Lease in any respect, unless required by law; (b) grant a written lease to any tenant occupying space pursuant to a Tenancy [INSERT 17]; or (c) terminate any [INSERT 16] Lease or Tenancy.

ss.6.02.

ss.6.03. If any space is vacant on the Closing Date, Purchaser shall accept the Premises subject to such vacancy, provided that the vacancy, provided that the vacancy was not permitted or created by Seller in violation of any restrictions contained in this contract [INSERT 20]. Seller shall not grant any concessions or rent abatements for any period following the Closing without Purchaser's prior written consent. Seller shall not apply all or any part of the security deposit of any tenant unless such tenant has vacated the Premises.

ss.6.04. [INSERT 21] Seller does not warrant that any particular Lease or Tenancy will be in force or effect at the Closing or that the tenants will have performed their obligations thereunder. The termination of any Lease or Tenancy prior to the Closing by reason of the tenant's default shall not affect the obligations of Purchaser under this contract in any manner or entitle Purchaser to an abatement of or credit against the Purchase Price or give rise to any other claim on the part of Purchaser.

## Section 7. Responsibility for Violations

ss.7.01. [INSERT 22] notes or notices of violations of law or governmental ordinances, orders or requirements which were noted or issued prior to [INSERT 22A] the date of this contract by any governmental department, agency or bureau having jurisdiction as to conditions affecting the Premises and all liens which have attached to the Premises prior to the Closing pursuant to the Administrative Code of the City of New York, if applicable, shall be the sole responsibility of Purchaser.

ss.7.02.

ss.7.03. Regardless of whether a violation has been noted or issued prior to the date of this contract, Seller's failure to remove or fully comply with violations shall not be an objection to title.

ss.7.04. If required, Seller, upon written request by Purchaser, shall promptly furnish to Purchaser written authorizations to make any necessary searches for the purposes of determining whether notes or notices of violations have been noted or issued with respect to the Premises or liens have attached thereto.

## Section 8. Destruction, Damage or Condemnation

ss.8.01. The provisions of Section 5-1311 of the General Obligations Law shall apply to the sale and purchase provided for in this contract. [INSERT 23]

## Section 9. Covenants of Seller

Seller covenants that between the date of this contract and the Closing:

ss.9.01.

ss.9.02. Seller shall not modify or amend any Service Contract or enter into any new service contract unless the same is terminable without penalty. [INSERT 23A]

ss.9.03. Seller shall maintain in full force and effect until the Closing the insurance policies described in [INSERT 24] or renewals thereof for no more than one year of those expiring before the Closing.

ss.9.04. No fixtures, equipment or personal property included in this sale shall be removed from the Premises unless the same are replaced with similar items of at least equal quality prior to the Closing.

ss.9.05. Seller shall not withdraw, settle or otherwise compromise any protest or reduction proceeding affecting real estate taxes assessed against the Premises for any fiscal period in which the Closing is to occur or any subsequent fiscal period without the prior written consent of Purchaser, which consent shall not be unreasonably withheld. Real estate tax refunds and credits received after the Closing Date which are attributable to the fiscal tax year during which the Closing Date occurs shall be apportioned between Seller and Purchaser, after deducting the expenses of collection thereof, which obligation shall survive the Closing. [INSERT 24A]

ss.9.06. Seller shall allow Purchaser or Purchaser's representatives access to the Premises, the Leases and other documents required to be delivered under this contract upon reasonable prior notice at reasonable times.

#### Section 10. Seller's Closing Obligations

At the Closing, Seller shall deliver the following to Purchaser:

ss.10.01. A statutory form of bargain and sale deed without covenant against grantor's acts, containing the covenant required by Section 13 of the Lien Law, and properly executed in proper form for recording so as to convey the title required by this contract.

ss.10.02. All [INSERT 16] Leases initialed by Purchaser and all others in Seller's possession., [INSERT 25]

ss.10.03. A schedule of all cash security deposits and a check or credit to Purchaser in the amount of such security deposits, including any interest thereon, held by Seller on the Closing Date under the [INSERT 16] Leases or, if held by an Institutional Lender, an assignment to Purchaser and written instructions to the holder of such deposits to transfer the same to Purchaser, and appropriate instruments of transfer or assignment with respect to any lease securities which are other than cash. [INSERT 26]

ss.10.04. A schedule updating the [INSERT 27] and setting forth all arrears in rents and all prepayments of rents [INSERT 28].

ss.10.05. All Service Contracts initialed by Purchaser and all others in Seller's possession which are in effect on the Closing Date and which are assignable by Seller.

ss.10.06. An assignment to Purchaser, [INSERT 29] of all of the interest of Seller in those Service Contracts, insurance policies, certificates, permits and other [INSERT 29A] documents to be delivered to Purchaser at the Closing which are then in effect and are assignable by Seller.

ss.10.07.

ss.10.10. To the extent they are then in Seller's possession [INSERT 30] and not posted at the Premises, certificates, licenses, permits, authorizations and approvals issued for or with respect to the Premises by governmental and quasi-governmental authorities having jurisdiction.

ss.10.11. Such affidavits as Purchaser's title company shall reasonably require in order to omit from its title insurance policy all exceptions for judgments, bankruptcies or other returns against persons or entities whose names are the same as or similar to Seller's name [INSERT 31].

ss.10.12. Checks to the order of the appropriate officers in payment of all applicable real property transfer taxes and copies of any required tax returns therefor executed by Seller, which checks shall be certified or official bank checks if required by the taxing authority, unless Seller elects to have Purchaser pay any of such taxes and credit Purchaser with the amount thereof.

[INSERT 31A]

ss.10.13. To the extent they are then in Seller's possession, copies of current painting and payroll records. Seller shall make all other Building and tenant files and records available to Purchaser for copying, which obligation shall survive the Closing.

ss.10.14. An original letter [INSERT 32], executed by Seller or by its agent, advising the tenants of the sale of the Premises to Purchaser and directing that rents and other payments thereafter be sent to Purchaser or as Purchaser may direct.

ss.10.15.

ss.10.16. [INSERT 33]

ss.10.17. Possession of the Premises in the condition required by this contract, subject to the Leases and Tenancies, and keys therefor.

ss.10.18. Any other documents required by this contract to be delivered by Seller.

#### Section 11. Purchaser's Closing Obligations

At the Closing, Purchaser shall:

ss.11.01. Deliver to Seller checks [INSERT 34] in payment of the portion

of the Purchase Price payable at the Closing, as adjusted for apportionments under Section 12,

ss.11.02.

ss.11.03. Deliver to Seller an agreement indemnifying and agreeing to defend Seller against any claims made by tenants with respect to tenants' security deposits to the extent paid, credited or assigned to Purchaser under ss.10.03 [INSERT 35]

ss.11.04. Cause the deed to be recorded, duly complete all required real property transfer tax returns and cause all such returns and checks in payment of such taxes to be delivered to the appropriate officers promptly after the Closing.

ss.11.05. Deliver any other documents required by this contract to be delivered by Purchaser.

#### Section 12. Apportionments

ss.12.01. The following apportionments shall be made between the parties at the Closing as of the close of business on the day prior to the Closing Date:

(a) prepaid rents and Additional Rents (as defined in ss.12.03);

(b)

(c) real estate taxes, water charges, sewer rents and vault charges, if any, on the basis of the fiscal period for which assessed, except that if there is a water meter on the Premises, apportionment at the Closing shall be based on the last available reading, subject to adjustment after the Closing when the next reading is available;

(d) wages, vacation pay, pension and welfare benefits and other fringe benefits of all persons employed at the Premises whose employment was not terminated at or prior to the Closing;

(e) value of fuel stored on the Premises, at the price then charged by Seller's supplier, including any taxes;

(f) charges under [INSERT 36] Service Contracts or permitted renewals or replacements thereof;

(g) permitted administrative charges, if any, on tenants' security deposits;

(j) Reletting Expenses under ss.6.02, if any; and

(k) any other items listed in Schedule D.

If the Closing shall occur before a new tax rate is fixed, the apportionment of taxes at the Closing shall be upon the basis of the old tax rate for the preceding period applied to latest assessed valuation. Promptly after the new tax rate is fixed, the apportionment of taxes shall be recomputed. Any discrepancy resulting from such recomputation and any errors or omissions in computing apportionments at Closing shall be promptly corrected, which obligations shall survive the Closing.

ss.12.02. If any tenant is in arrears in the payment of rent on the Closing Date, rents received from such tenant after the Closing shall be applied in the following order of priority: (a) first to the month preceding the month in which the Closing occurred; (b) then to the month in which the Closing occurred; (c) then to any month or months following the month in which the Closing occurred; and (d) then to the period prior to the month preceding the month in which the Closing occurred. If rents or any portion thereof received by Seller or Purchaser after the Closing are payable to the other party by reason of this allocation, the appropriate sum, less a proportionate share of any reasonable attorneys' fees, costs and expenses of collection thereof, shall be promptly paid to the other party [INSERT 37], which obligation shall survive the Closing.

ss.12.03. If any tenants are required to pay percentage rent, escalation charges for real estate taxes, operating expenses, cost-of-living adjustments [INSERT 37A] or other charges of similar nature ("Additional Rents") and any Additional Rents are collected by Purchaser after the Closing which are attributable in whole or in part to any period prior to the Closing, then Purchaser shall promptly pay to Seller [INSERT 38] Seller's proportionate share thereof, less a proportionate share of any reasonable attorneys' fees, costs and expenses of collection thereof, if and when the tenant paying the same has made all payments of rent and Additional Rent then due to Purchaser pursuant to the tenant's Lease, which obligation shall survive the Closing [INSERT 39].

### Section 13. Objections to Title, Failure of Seller or Purchaser to Perform and Vendee's Lien

ss.13.01. Purchaser shall promptly order an examination of title and shall cause a copy of the title report to be forwarded to Seller's attorney upon receipt. Seller shall be entitled to a reasonable adjournment or adjournments of the Closing for up to 60 days, to remove any defects in or objections to title noted in such title report and any other defects or objections which may be disclosed on or prior to the Closing Date.

ss.13.02. If Seller shall be unable to convey title to the Premises at the Closing in accordance with the provisions of this contract or if Purchaser shall have any other grounds under this contract for refusing to consummate the purchase provided for herein, Purchaser, nevertheless, may elect to accept such title as Seller may be able to convey with a credit against the monies payable at the Closing equal to the reasonably estimated cost to cure the same (up to the Maximum Expense described below), but without any other credit or liability on the part of the Seller. If Purchaser shall not so elect, Purchaser may terminate this contract and the sole liability of Seller shall be to refund the Downpayment to Purchaser and to reimburse Purchaser for the net amount charged by Purchaser's title company therefor without issuance of a policy, and the net cost of updating the existing survey of the Premises. Upon such refund and reimbursement, this contract shall be null and void and the parties hereto shall be relieved of all further obligations and liability other than any arising under Section 14. Seller shall not be required to bring any action or proceeding or to incur any expense in excess of the Maximum Expense specified in Schedule D to cure any title defect or to enable Seller otherwise to comply with the provisions of this contract, but the foregoing shall not permit Seller to refuse to pay off at the Closing [INSERT 39A].

ss.13.03. Any unpaid taxes, assessments, water charges and sewer rents, together with the interest and penalties thereon to a date not less than two days following the Closing Date, and any other liens and encumbrances which Seller is obligated to pay and discharge or which are against corporations, estates or other persons in the chain of title, together with the cost of recording or filing any instruments necessary to discharge such liens and encumbrances of record, may be paid out of the proceeds of the monies payable at the Closing if Seller delivers to Purchaser on the Closing Date official bills for such taxes, assessments, water charges, sewer rents, interest and penalties and instruments in recordable form sufficient to discharge any other liens and encumbrances of record. Upon request made a reasonable time before the Closing, Purchaser shall provide at the Closing separate checks for the foregoing payable to the order of the holder of any such lien, charge or encumbrance and otherwise complying with ss.2.02. If Purchaser's title insurance company is willing to insure [INSERT 40] such charges, liens and encumbrances then, Seller shall have the right in lieu of payment and discharge to deposit with the title insurance company such funds or assurances or to pay such special or additional premiums as the title insurance company may require in order to so insure. In such case the charges, liens and encumbrances with respect to which the title insurance company has agreed so to insure shall not be considered objections to title.

ss.13.04. If Purchaser shall default in the performance of its obligation under this contract to purchase the Premises, the sole remedy of Seller shall be to retain the Downpayment as liquidated damages for all loss, damage and expense suffered by Seller, including without limitation the loss of its bargain [INSERT 40A].

ss.13.05. Purchaser shall have a vendee's lien against the Premises for the amount of the Downpayment, but such lien shall not continue after default by Purchaser under this contract.

### Section 14. Broker

ss.14.01. If a broker is specified in Schedule D, Seller and Purchaser mutually represent and warrant that such broker is the only broker with whom they have dealt in connection with this contract and that neither Seller nor Purchaser knows of any other broker who has claimed or may have the right to claim a commission in connection with this transaction, unless otherwise indicated in Schedule D. The commission of such broker shall be paid pursuant to separate agreement by the party specified in Schedule D. If no broker is specified in Schedule D, the parties acknowledge that this contract was brought about by direct negotiation between Seller and Purchaser and that neither Seller nor Purchaser knows of any broker entitled to a commission in connection with this transaction. Unless otherwise provided in Schedule D, Seller and Purchaser shall indemnify and defend each other against any costs, claims or expenses, including attorneys' fees, arising out of the breach on their respective parts of any representations, warranties or agreements contained in this paragraph. The representations and obligations under this paragraph shall survive the Closing or, if the Closing does not occur, the termination of this contract.

#### Section 15. Notices

ss.15.01.

#### Section 16. Limitations on Survival of Representations, Warranties, Covenants and other Obligations

ss.16.01.

ss.16.02. The delivery of the deed by Seller, and the acceptance thereof by Purchaser, shall be deemed the full performance and discharge of every obligation on the part of Seller to be performed hereunder, except those obligations of Seller which are expressly stated in this contract to survive the Closing.

Section 17. Miscellaneous Provisions

ss.17.01. [INSERT # ILLEGIBLE] No assignment of Purchaser's rights under this contract shall be effective against Seller unless and until an executed counterpart of the instrument of assignment shall have been delivered to Seller and Seller shall have been furnished with the name and address of the assignee. The term "Purchaser" shall be deemed to include the assignee under any such effective assignment.

ss.17.02. This contract embodies and constitutes the entire understanding between the parties with respect to the transaction contemplated herein, and all prior agreements, understandings, representations and statements, oral or written, are merged into this contract [INSERT # ILLEGIBLE]. Neither this contract nor any provision hereof may be waived, modified, amended, discharged or terminated except by an instrument signed by the party against whom the enforcement of such waiver, modification, amendment, discharge or termination is sought, and then only to the extent set forth in such instrument.

ss.17.03. This contract shall be governed by, and construed in accordance with, the law of the State of New York.

ss.17.04. The captions in this contract are inserted for convenience of reference only and in no way define, describe or limit the scope or intent of this contract or any of the provisions hereof.

ss.17.05. This contract shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs or successors and permitted assigns.

ss.17.06. This contract shall not be binding or effective until properly executed and delivered by Seller and Purchaser.

ss.17.07. As used in this contract, the masculine shall include the feminine and neuter, the singular shall include the plural and the plural shall include the singular, as the context may require.

ss.17.08. If the provisions of any schedule or rider to this contract are inconsistent with the provisions of this contract, the provisions of such schedule or rider shall prevail. Set forth in Schedule D is a list of any and all schedules and riders which are attached hereto but which are not listed in the Table of Contents.

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

Seller: NINTH AVENUE ASSOCIATES  
By: MURRAY HILL PROPERTIES XI,  
General Partner

by: MURRAY HILL PROPERTIES,  
General Partner

by: /s/ Norman Sturner  
-----  
Norman Sturner,  
General Partner

Purchaser: SL GREEN OPERATING PARTNERSHIP, L.P.  
By: SL GREEN REALTY CORP.,  
General Partner

by: /s/ Steven H. Klein  
-----  
Steven H. Klein,  
Executive Vice-President

Receipt by Escrowee

The undersigned Escrowee hereby acknowledges receipt of \$ 1,450,000.00, by check subject to collection, to be held in escrow pursuant to ss.2.05. [INSERT 41B]

MANDEL & RESNIK P.C.

By: /s/ [Illegible]  
-----

Schedule A

DESCRIPTION OF PREMISES

(to be attached separately and to include tax map designation)

Schedule B

PERMITTED EXCEPTIONS

1. Zoning regulations and ordinances which are not violated by the existing structures or present use thereof and which do not render title uninsurable.
2. Consents by the Seller or any former owner of the Premises for the erection of any structure or structures on, under or above any street or streets on which the Premises may abut.



3.

4. [INSERT 42] Leases and Tenancies specified in the [INSERT 43] and any new leases or tenancies not prohibited by this contract.

5. Unpaid installments of assessments not due and payable on or before the Closing Date.

6. Financing statements, chattel mortgages and liens on personalty filed more than 5 years prior to the Closing Date and not renewed, or filed against property or equipment no longer located on the Premises or owned by Tenants.

7. (a) Rights of utility companies to lay, maintain, install and repair pipes, lines, poles, conduits, cable boxes and related equipment on, over and under the Premises, provided that none of such rights imposes any monetary obligation on the owner of the Premises.

(b) Encroachments of stoops, areas, cellar steps, trim cornices, lintels, window sills, awnings, canopies, ledges, fences, hedges, coping and retaining walls projecting from the Premises over any street or highway or over any adjoining property and encroachments of similar elements projecting from adjoining property over the Premises [INSERT 44].

(c) Revocability or lack of right to maintain vaults, coal chutes, excavations or sub-surface equipment beyond the line of the Premises.

(d) Any state of facts that an accurate survey would disclose, provided that such facts do not render title unmarketable. [INSERT 45]

Schedule C

PURCHASE PRICE

The Purchase Price shall be paid as follows:

(a) By check subject to collection  
or by wire transfer, the receipt of  
which is hereby acknowledged by Seller: \$ 1,450,000.00

(b) By check, checks or wire transfer  
delivered to Seller at Closing in  
accordance with the provisions of  
Section 2.02: \$27,550,000.00

Purchase Price \$29,000,000.00  
=====

Schedule D

MISCELLANEOUS

1. Title insurer designated by the parties (ss.1.02):
5. Seller's tax identification number (ss.2.05):
6. Purchaser's tax identification number (ss.2.05):
7. Scheduled time and date of Closing (ss.3.01): [INSERT 47]
8. Place of Closing (ss.3.01): [INSERT 48]
9. Assessed valuation of Premises (ss.4.10): [INSERT 48A]
10. Fiscal year and annual real estate taxes on Premises (ss.4.10):  
\$1,135,614.04
11. Tax abatements or exemptions affecting Premises (ss.4.10): None
12. Assessments on Premises (ss.4.13): None
14. Maximum Expense of Seller to cure title defects, etc. (ss.13.02): [INSERT 49]
15. Broker, if any (ss.14.01): Talcott Management, Inc.
16. Party to pay broker's commission (ss.14.01): Seller
- 17.
- 18.
19. Additional Schedules or Riders (ss.17.08):  
See attached

Schedule E

RENT SCHEDULE

(to be attached separately)

INSERTS TO CONTRACT OF SALE  
BETWEEN NINTH AVENUE ASSOCIATES,  
AS SELLER, AND SL GREEN OPERATING  
PARTNERSHIP, L.P., AS PURCHASER

1. , together with all easements, rights of way, privileges, appurtenances and other rights, if any, pertaining to the Land or the Building (as hereinafter defined)
2. all of Seller's rights, title and interest in and to
- 2A. and
- 2B. The personal property to be conveyed by Purchaser to Seller hereunder is all personal property owned by Seller, currently existing at the Building and used in operation of the Building (excluding the sculpture in the Building's lobby) (the "Personal Property").
3. , or (b) by wire of immediately available federal funds, or (c)
4. (or as Seller may otherwise direct in writing to Purchaser at least two (2) business days prior to the Closing)
5. and all
6. shall be
7. Mandel & Resnik P.C.
8. shall
9. (or as Seller may otherwise direct in writing to Escrowee, with a copy to Purchaser, prior to the Closing)
10. The parties acknowledge that Escrowee may be instructed to release and disburse certain funds from the Downpayment in accordance with the provisions of Section 22(b) hereof. All of Escrowee's rights and protections set forth in this Section 2.05 shall apply to the provisions of said Section 22(b).
11. The insurance schedule attached hereto as Schedule "F"
12. The payroll schedule attached hereto as Schedule "G"
13. all of such employees are
- 13A. except as otherwise expressly set forth in this contract.
14. To the best of Seller's knowledge, no portion of the Premises is used for residential purposes.
15. The
- 15A. ss.5.03 Purchaser may, but shall not be obligated to, assume the obligations under any union agreements or other employment agreements for employees of Seller employed at the Premises, and further may, but shall not be obligated to, offer employment to and hire any or all employees covered by any such union agreements or other employment agreements. Upon Purchaser's written demand and simultaneous delivery of sufficient funds of Purchaser to do so, Seller shall cause to be paid any liquidated damages, penalty, additional compensation, accrued vacation and/or termination pay sought by a union pursuant to any union or other employment agreements, such amounts arising out of or as a consequence of Purchaser's failure to adopt and assume the union or employment agreements and/or to hire any or all of Seller's employees covered by such agreements. Purchaser shall and does hereby agree to indemnify, defend and hold Seller free and harmless from and against any and all liability, claims,

actions, damages, judgments, penalties, costs and expenses, including reasonable attorneys' fees and disbursements, (i) accruing under or with respect to such union or other employment agreements on and after the date of the Closing concerning those of Seller's employees hired by Purchaser and/or (ii) arising out of a claim that Purchaser has failed to adopt and assume any of Seller's union or other employment agreements and/or has failed to offer employment to or employ any or all of the employees covered by such agreements. The provisions of this Section shall survive the Closing.

16. Existing
17. (which is defined to mean any tenancy in the Premises not arising out of a lease or sublease)
18. [Intentionally Deleted]
19. [Intentionally Deleted]
20. or in any Lease.
21. Except as otherwise expressly provided in this contract,
22. Any
- 22A. , on, or after
23. For the sole purposes thereof, "material" shall be damage, destruction or condemnation, the estimated cost to repair or restore of which exceeds \$1,000,000.00, in the aggregate.
- 23A. Upon Purchaser's request, Seller shall terminate any existing Service Contract at or prior to the Closing provided that Purchaser pays all costs and penalties, if any, applicable to or resulting from the termination of any such Service Contract. Purchaser hereby agrees to indemnify and hold Seller harmless from and against any and all liability, claim, action, damage, judgment, penalty, cost and expense, including all reasonable attorneys' fees and disbursements, which may result from any such Service Contract termination(s). The provisions of this Section shall survive the Closing.
24. in the insurance schedule attached hereto as Schedule "F"
- 24A. Seller hereby represents that, with respect to the Premises, it is presently prosecuting real estate tax reduction proceedings for tax years 1996-97 through 1998-99, inclusive. Seller shall be entitled to receive and retain any and all tax refunds applicable to any tax year (or portion thereof) applicable to any period prior to the date of the Closing and Seller shall promptly deliver Purchaser's pro-rata portion of such refund, if any, to Purchaser pursuant to Section 9.05 hereof (and if such tax refunds are received by Purchaser after the Closing, Purchaser agrees that it promptly shall deliver Seller's pro-rata portion of such refund to Seller pursuant to Section 9.05 hereof). In the event Seller receives any real estate tax refund with respect to tax year 1998-99, the proceeds thereof (net of all reasonable attorney, accountant and other professional fees and disbursements incurred by Seller in connection with obtaining such refund) shall be prorated, if applicable, as of the date of the Closing, and Seller promptly shall deliver Purchaser's pro-rata portion thereof to Purchaser (and if such tax refund is received by Purchaser after the Closing, Purchaser agrees that it promptly shall deliver Seller's pro-rata portion thereof to Seller). The provisions of this Section 9.05 shall survive the Closing.
25. and an assignment of the Existing Leases in the form attached hereto as Exhibit "A".

26. and an assignment of said cash security deposits and all other security deposits being held by Seller, in the form attached hereto as Exhibit "A". To the extent that any of such security deposits are in the form of a letter of credit, at the Closing Seller shall deliver to Purchaser all instruments (duly executed and acknowledged) which are required to transfer such letters of credit to Purchaser as the new beneficiary thereunder.
27. information set forth in Schedule "E" attached hereto
28. and all other defaults of which Seller is aware.
29. in the form attached hereto as Exhibit "B"
- 29A. contracts and
30. ("in Seller's possession," for the purposes of this Section 10.10, being deemed to include items in the possession of Seller's managing agent or any other person or entity controlled by Seller)
31. and all other exceptions (other than Permitted Exceptions).
- 31A. A certification of non-foreign status, in form required by the Code Withholding Section, signed under penalty of perjury. Seller acknowledges that such certification will be retained by Purchaser and will be made available to the Internal Revenue Service upon request.
32. in the form attached hereto as Exhibit "C",
33. All consents, approvals, authorizations, resolutions and certificates required by Seller's limited partnership agreement and the agreements, by-laws and other documents and instruments of Seller's constituent partners, in respect of the transactions contemplated in this contract. Seller advised its partners of the sale of the Premises contemplated by this contract and, based solely on the number of "affirmative" written responses received by Seller, has received the requisite number of consents from its limited partners in order to enter into this contract and to sell the Premises as herein provided; however, such limited partner responses do not correctly refer to "Ninth Avenue Associates" as the name of Seller, but refer to "Ninth Avenue Limited Partnership". If requested by Purchaser's title company at the Closing, Seller and/or the general partner of Seller will provide an affidavit to such title company which provides (i) that the limited partner responses refer to Seller (although misnamed), (ii) that there are no other partnerships relating to the Premises, of which Seller is aware, having similar names to Seller, (iii) that the limited partnership agreement has not been amended, (iv) that Murray Hill Properties XI is the general partner of Seller and (v) provides a current list of limited partners of Seller. Copies of all written limited partner responses received by Seller have been delivered to Purchaser, together with a copy of Seller's limited partnership agreement. In connection with such limited partner responses, the amount necessary to satisfy the existing mortgage note obligations of Seller is not more than \$24,000,000.
34. (to the extent not paid by a wire transfer)
35. in the form attached hereto as Exhibit "A".
36. transferred
37. (or as Seller may otherwise direct in the case of payments due Seller)
- 37A. electricity or other utilities or services supplied to tenants

38. (or as Seller may otherwise direct in writing to Purchaser prior to the Closing)
39. To the extent Seller is paid any Additional Rent after the Closing for the period on or after the Closing, Seller shall promptly pay same to Purchaser. Such obligation of Seller shall survive the Closing.
- 39A. mortgage(s) currently of record against the Premises or such other mortgages, liens or judgments in specific liquidated amounts filed against the Premises after the date hereof, which shall have been created by the express actions of Seller (and not of any tenant) after the date hereof. Seller shall pay or discharge of record the following judgments filed against the Premises: (a) judgment of NYC Department of Finance in the sum of \$61.84 perfected on July 10, 1992 and docketed on March 31, 1994 and (b) judgment of NYC Department of Finance in the sum of \$109.35 perfected on May 10, 1996 and docketed on July 19, 1996. With respect to all other title objections raised by Purchaser, Seller shall not be obligated to spend more than \$50,000.00, in the aggregate, to cure any of such objections.
40. Purchaser's title free and clear of
- 40A. except for those indemnities, if any, which specifically survive the Closing.
41. At the Closing, Purchaser may assign this contract without Seller's consent to any affiliate of Purchaser controlled by Purchaser or to a third party, provided the assignee assumes in writing all of Purchaser's obligations under this contract. No such assignment shall release Purchaser from its obligations under this contract.
- 41A. , except as to the provisions of paragraphs 6 and 14 of that certain letter of intent, dated December 30, 1997 (the "Letter of Intent").
- 41B. Purchaser shall deliver to Escrowee the Downpayment in the amount of \$1,450,000.00 upon the execution of this contract. The Downpayment (together with any supplemental Downpayment which may be delivered to Escrowee in accordance with Insert #47 to Schedule "D", item no. 7) shall, subject to collection, be held in escrow by the Escrowee pursuant to Section 2.05 hereof.
42. Existing
43. Schedule "E" attached hereto
44. provided none of the foregoing render title to the Premises uninsurable.
45. (e) the state of facts shown on the survey of the Premises prepared by Donald R. Calabrese Associates, dated June 28, 1958 and last updated on May 14, 1987 and any additional facts an accurate survey, or an update thereof of the Premises may show, provided that such facts do not render title to the Premises uninsurable or unmarketable;
- (f) the Existing Leases;
- (g) Subject to Section 21(d)(i) hereof, all covenants, contracts, liens, restrictions, easements, encumbrances, reservations, consents, departmental reports and agreements and all other matters affecting the Premises of record as of the date hereof (other than the certificate of occupancy for the Building) provided either that the same do not prohibit the maintenance of the structure currently at the Premises or that the title insurance company insuring Purchaser's title

will insure that such existing structure may remain in its present location so long as same may stand;

(h) Notes or notices of violations of law or municipal ordinances, orders or requirements noted in or issued by any governmental department having or asserting authority or jurisdiction as to lands, housing, buildings, fire, health, labor or any other condition or matter at or affecting the Premises, whether or not of record, and any conditions which may give rise to a violation;

(i) Party walls and party wall agreements, if any;

(j) Variations among the record lines of the Premises and fences, driveways and shrubbery and/or between the legal description of the Premises herein and the tax map description;

(k) Printed exceptions and exclusions to title and all other stipulations, provisions, requirements, terms and conditions set forth in the title report to be issued by Purchaser's title insurance company or otherwise contained in any form of policy approved by the New York State Department of Insurance; and

(l) Any other lien, encumbrance, condition or matter of any nature whatsoever as to which Purchaser's title insurance company will insure against collection out of or enforcement against the Premises subject to the provisions of Insert #39A to Section 13.02 hereof and of Section 21(w) hereof.

46. , or by wiring immediately available federal funds,
47. on a date selected by Purchaser upon not less than five (5) business days' notice to Seller, such date to be not earlier than May 1, 1998 nor later than June 30, 1998; provided, however, that Purchaser may extend the date of the Closing to a date not later than July 31, 1998 if Purchaser, prior to June 22, 1998, notifies Seller of such election and, together with such written notice, deposits an additional Five Hundred Eighty Thousand (\$580,000) Dollars, as a supplemental Downpayment, with Escrowee, to be held by Escrowee in accordance with the provisions of Section 2.05 hereof.
48. At Escrowee's office or, if Purchaser or an affiliate thereof is a real estate investment trust, at such other office as may be designated by Purchaser's underwriter or other source of Purchaser's financing.
- 48A. \$11,077,000.
49. \$50,000.00, except as otherwise provided in Insert #39A to Section 13.02 hereof.

RIDER ANNEXED TO CONTRACT OF SALE  
BETWEEN NINTH AVENUE ASSOCIATES,  
AS SELLER, AND SL GREEN OPERATING  
PARTNERSHIP, L.P., AS PURCHASER

18. Conflict.

In the event of any conflict or inconsistency between the printed provisions of this contract (the "Contract") and the provisions contained in this Rider, the provisions of this Rider shall govern.

19. Other Properties; Conditions of Closing.

(a) Purchaser is also negotiating to purchase the property located at 38 East 30th Street, New York, New York (the "30th Street Property") from 30th Street Associates ("30th Associates") and the property located at 116 Nassau Street, Brooklyn, New York (the "Nassau Street Property") from Nassau Street Partners ("Nassau Partners"). The Premises herein, together with the 30th Street Property and the Nassau Street Property, are hereinafter collectively referred to as the "Properties" and Seller, together with 30th Associates and Nassau Partners, are hereinafter collectively referred to as the "Sellers". Purchaser's obligation to enter into a contract in respect of any one of the Properties shall be conditioned upon the Sellers tendering a contract for each of the other Properties. The Sellers' obligation to enter into a contract in respect of any one of the Properties shall be conditioned upon Purchaser's execution of contracts for all of the Properties. In no event shall either party be bound to this Contract for the Premises until contracts for the other two Properties have been executed and delivered by the other party.

(b) As a condition precedent to the closing of title under this Contract, this Contract must close simultaneously with the closings of title between (i) Purchaser and 30th Associates with respect to the 30th Street Property and (ii) Purchaser and Nassau Partners with respect to the Nassau Street Property. Purchaser acknowledges that if 30th Associates is unable to sell the 30th Street Property or Nassau Partners is unable to sell the Nassau Street Property (for reasons other than a wilful default by such selling partnership) or if Purchaser chooses not to purchase any of the Properties, Seller shall not be obligated to sell the Premises to Purchaser pursuant to this Contract or otherwise. Purchaser further acknowledges that a default or breach by Purchaser of any of its obligations or undertakings as set forth in this Contract or in either of the contracts relating to the 30th Street Property or the Nassau Street Property shall be deemed a default or breach of its obligations and undertakings as set forth in all three of said contracts.

20. Purchase Price and Payment.

(a) The purchase price (the "Purchase Price") for the Premises shall be TWENTY NINE MILLION and No/100 DOLLARS (\$29,000,000.00). It is expressly acknowledged and agreed that the payment of the Purchase Price and the Closing hereunder is not contingent or conditioned upon Purchaser obtaining financing from any source.

(b) The Purchase Price shall be paid by Purchaser to Seller as follows:

- (i) ONE MILLION FOUR HUNDRED FIFTY THOUSAND and No/100 DOLLARS (\$1,450,000.00) (the "Downpayment") upon the execution and delivery of this Contract, by check drawn on or by a bank which is a member of



the New York Clearinghouse Association, subject to collection, payable on its face to the order of Escrowee (as defined herein), or by wire transfer at Purchaser's option in accordance with Escrowee's wiring instructions, to be held in escrow pursuant to Section 2.05 hereof. The Downpayment shall be non-refundable to Purchaser unless the sale of the Premises pursuant to this Contract does not close for any reason other than Purchaser's default; and

- (ii) TWENTY SEVEN MILLION FIVE HUNDRED FIFTY THOUSAND and No/100 DOLLARS (\$27,550,000.00) at the Closing, plus or minus adjustments or credits as hereinafter provided.

21. Additional Representations and Warranties of Seller.

- (a) Seller represents and warrants to Purchaser as follows:

Schedule "E" attached hereto accurately sets forth (a) all agreements in force on the date hereof for the use, lease or occupancy of space in or at the Building (whether or not the terms hereof have commenced) to which Seller, its affiliates or designees are a party or are bound as landlord or to which any part of the Building is subject, (b) all subleases in force on the date hereof for the use, lease or occupancy of space in or at the Building (whether or not the terms thereof have commenced) to which any tenant under an Existing Lease is a party or is bound as sublandlord, and (c) all other tenancies or subtenancies in the Premises not arising out of the agreements or the subleases referred to in clauses (a) and (b) above, affecting the Premises on the date hereof (the agreements and subleases referred to in said clauses (a) and (b), together with all amendments and modifications thereof, and all of the tenancies and subtenancies referred to in clause (c) above are collectively referred to as the "Existing Leases," and all tenants, subtenants or other occupants of space pursuant to an Existing Lease are hereinafter collectively referred to as "Existing Tenant(s)"). Seller is not a party to any sublease for the use, lease or occupancy of space in or at the Building (whether or not the term thereof has commenced). The data set forth on said Schedule "E" with respect to each Existing Lease includes an accurate statement of the name of each Existing Tenant, the space demised, the lease, sublease or tenancy expiration date, the security deposits and the base annual rent and additional rent currently payable. To the best of Seller's knowledge, no person or entity has or claims any right to possess the Premises or any part thereof except for the Existing Tenants shown in said Schedule "E". True and complete copies of all the Existing Leases and all guaranties and other documents, agreements and instruments relating thereto have been delivered to Purchaser but, for purposes of this Contract, Purchaser may rely on the data set forth in said Schedule "E". Except as otherwise set forth in said Schedule "E" or in the Existing Leases, to be best of Seller's knowledge:

- (i) each of the Existing Leases is in effect and has not expired or been terminated; Seller has neither given nor received any notice of default with respect to any Existing Lease that remains uncured; to the best knowledge of Seller, neither Seller, nor any of the other parties thereto are in default of any of their obligations under any of the Existing Leases (other than with respect to a possible improper assignment by Duane Reade, as reflected in correspondence between Seller and such tenant (copies of which have been delivered to Purchaser)); and none of the Existing Leases has been modified, amended or extended;

- (ii) to the best of Seller's knowledge, all Existing Tenants are in possession of the spaces leased by them;
- (iii) the rents and any Additional Rents reserved under each of the Existing Leases and shown in said Schedule "E" are legal rents and no claim to the contrary has been asserted by any Existing Tenant, and the rents and Additional Rents shown on said Schedule "E" are actually being paid by the Existing Tenants, and there are no arrearages in excess of one (1) month of any base, minimum or fixed rent (as opposed to any Additional Rent);
- (iv) no Existing Tenant has paid rent for more than one (1) month in advance;
- (v) no Existing Tenant has claims or is entitled to free rent, rent concessions, rebates or rent abatements;
- (vi) no Existing Tenant claims or is entitled to any set-offs or offsets against rent;
- (vii) no Existing Tenant occupies any space rent free;
- (viii) no space has been rented furnished;
- (ix) all work previously required to be performed by the landlord under the Existing Leases or otherwise has been completed and fully paid for;
- (x) no Existing Tenant is contesting its pro-rata share of taxes, operating expenses or maintenance increases shown in said Schedule "E" or their obligations to pay cost-of-living increases or any other Additional Rent as required by its Existing Lease;
- (xi) except pursuant to an assignment of leases and rents granted by Seller to its fee mortgagee, Seller has assigned none of its rights under the Existing Leases;
- (xii) no Existing Tenant has an option to renew its lease not provided in its Existing Lease and no other party has any option, right of first refusal or other preferential right to purchase the Premises or any part thereof;
- (xiii) no action or proceeding instituted against Seller by any Existing Tenant, or by any Existing Tenant against Seller, is presently pending in any court or other judicial or administrative venue, nor has Seller received any written notices or demands with respect thereto;
- (xiv) no representation or covenant has been made by Seller to any Existing Tenant except as incorporated in its Existing Lease and all representations made by Seller in the Existing Leases and in all other documents, agreements and instruments relating thereto are true and correct in all material respects;
- (xv) no Existing Lease allows the space demised thereunder to be leased or otherwise used for any purpose which is prohibited by a restrictive covenant contained in any other Existing Lease;
- (xvi) any consents or notices required to be obtained or given under the terms of any Existing Lease in

connection with this transaction have been obtained or given, as the case may be;

(xvii) there are no security deposits other than those set forth in said Schedule "E"; and

(xviii) there are no outstanding obligations of Seller with respect to any space previously leased or otherwise occupied by an Existing Tenant at a location other than at the Building.

(b) Annexed hereto as Schedule "H" and made a part hereof is a list of all service, maintenance and supply contracts (collectively, "Service Contracts") relating to the Premises and all deposits of Seller held by utility companies and other persons and entities who supply goods or services in connection with the operation of the Property, and the information set forth therein is accurate as of the date hereof. If Seller has delivered a notice of termination to the vendor under any Service Contract pursuant to Section 9.02 hereof, Seller, at the Closing, shall deliver a copy of such notice to Purchaser.

(c) With respect to any contracts referred to in Schedule "G" (payroll schedule) or Schedule "H", if there are any pending negotiations with any union or Service Contract holder which may involve retroactive increases in pay or rates, Seller agrees to reimburse Purchaser for the amount thereof with respect to any period through the date of the Closing, even though the increases may be effected after the date of the Closing.

(d) To the best knowledge of Seller: (i) the use being made of the Premises at present is not in conformity with the certificate of occupancy issued for the Premises; (ii) all required certificates and permits of such type, including, without limitation, underwriters certificates relating to electrical work, and all other building, housing, safety, fire and health certificates, approvals and permits have been issued, are in full force and effect and (except as otherwise indicated thereon) are transferable with the Premises or to Purchaser without payment; (iii) the Premises and the present use and condition thereof do not violate any deed restrictions, zoning or subdivision regulations, or urban redevelopment plans applicable to the Premises, as modified by any duly issued variances; and (iv) no action or proceeding relating to the foregoing is pending or threatened with respect to the Premises.

(e) To the extent that an assessment that is payable in installments becomes a lien on the Premises on or before the Closing, the assessment shall be adjusted based upon the period covered thereby or, if no period is specified, upon the due date thereof.

(f) All brokerage commissions payable by reason of the Existing Leases and/or renewals, elections not to terminate, extensions of Existing Leases or options to lease additional space or otherwise with respect to leasing transactions have been fully paid or will be paid when due by Seller, except only that (i) any brokerage commissions payable by reason of New Leases (as defined in Article 22 hereof) permitted pursuant to Article 22 hereof, which are made or entered into on or after the date of this Contract, shall be apportioned between the parties based upon the rent collectible by each party and shall be payable by Purchaser and (ii) Seller and Purchaser shall apportion any brokerage commissions payable by reason of renewals or extensions of Existing Leases or options to lease additional space exercised after the Closing pursuant to the applicable Existing Lease provisions based upon the period commencing on the rent commencement date of any such renewal or extension and ending on the expiration date of any

such renewal or extension. From and after the date hereof until the Closing, Purchaser shall be the sole leasing broker for the Premises (except as otherwise provided in Sections 22(b) and 22(d) hereof) and shall have the right to charge leasing commissions at standard industry rates.

(g) To the best of Seller's knowledge, all construction reimbursements, tenant improvement allowances and similar payments to be made by the landlord under the Existing Leases have been paid in full or will be paid in full prior to the Closing.

(h) To the best of Seller's knowledge, the description of the Personal Property is accurate as of the date hereof and will be accurate as of the date of the Closing, subject to disposal and/or replacement of such property in the ordinary course of business.

(i) There is no litigation pending or, to the best knowledge of Seller, threatened against Seller, the Premises or the transactions contemplated by this Contract (except as provided in Section 21(a)(i) hereof with respect to Duane Reade). To the best of Seller's knowledge, there is no proceeding (zoning or otherwise) or governmental investigation pending or threatened against or relating to Seller, the Premises or the transactions contemplated by this Contract, nor, to the best knowledge of Seller, is there any basis for such action.

(j) Seller has not received written notice of any default or breach by Seller under any of the covenants, conditions, restrictions, rights of way or easements affecting the Premises or any portion thereof; to the best knowledge of Seller, no such default or breach now exists; and, to the best knowledge of Seller, no event has occurred and is continuing which with notice and/or the passage of time would constitute a default thereunder.

(k) No work has been performed or is in progress at, and no materials have been furnished to, the Premises or any portion thereof for which Seller is responsible and which, though not at present the subject of, might give rise to, mechanic's, materialmen's or other liens against the Premises or any portion thereof.

(l) To the best knowledge of Seller, there are no outstanding requirements or recommendations by any insurance company that issued a policy with respect to the Premises or any part thereof, or by any Board of Fire Underwriters or other body exercising similar functions, requiring or recommending any repairs or work to be done on or to the Premises.

(m) This Contract has been duly and validly authorized, executed and delivered by Seller and Seller has full power and authority to consummate the transactions contemplated hereby, and the Closing will not constitute a breach or violation of any contract or instrument to which Seller is a party, or by which it or any of its assets are subject or bound, or any judgment, order, writ, injunction or decree issued against or imposed upon it, or will result in a violation of any applicable law, order, rule or regulation of any governmental authority.

(n) No person or entity has an option, right of first refusal or other preferential right to purchase the Premises or any part thereof.

(o) No Existing Tenant has executed or delivered to Seller any promissory notes or other instruments pursuant to which an Existing Tenant is indebted to its landlord, and Seller does not own and is not holding any such notes or other instruments.

(p) True and complete copies of all Service Contracts and any and all other instruments, documents and agreements recited in this Contract (other than documents to be executed and delivered at the Closing), and all amendments to all of the foregoing, have been delivered to Purchaser.

(q) Seller (i) is a New York limited partnership validly existing in the State of New York, (ii) owns the fee interest in the Premises and (iii) has good and marketable title to the Personal Property.

(r) To the best of Seller's knowledge, no fact or condition exists which would result in the termination or impairment of access to the Premises or the discontinuation of necessary sewer, water, electric, gas, telephone or other utilities or services to the Premises.

(s) To the best of Seller's knowledge, Seller has filed with all of the applicable governmental authorities having jurisdiction over the Premises, all statements, affidavits, documents and other instruments with respect to the Premises and the operation and use thereof that are required to be filed by applicable laws, rules, regulations, and ordinances.

(t) No air rights or development rights appurtenant to the Premises have been conveyed, transferred, granted or licensed to any third party.

(u) To the best of Seller's knowledge, neither Seller, nor to Seller's knowledge, any other person has ever caused or permitted any Hazardous Substance (hereinafter defined) to be placed, located, spilled or otherwise disposed of on under or at the Premises or any part thereof in violation of any Environmental Laws (hereinafter defined), excluding materials used in the maintenance and operation of the Premises, such as cleaning materials (other than with respect to the removal of certain containers of chemicals abandoned at the Premises by a former tenant as reflected in Hazardous Waste Manifest dated November 10, 1995 of Chemical Waste Disposal Corp., copies of all documents with respect thereto having been delivered to Purchaser). There is not now pending, nor has Seller received any notice of any threatened, investigation, action or proceeding against Seller or the Premises seeking to enforce any right or remedy under any Environmental Laws. "Hazardous Substance" shall mean any material or substance governed or regulated or defined under any local, state or Federal law, rule ordinance, code, regulation, order or decree regulating, relating to or imposing liability or standards of conduct with regard to hazardous, toxic or dangerous waste, substances or materials or regulating or governing air or water quality, the environment or environmental, health safety or hygiene ("Environmental Laws").

(v) All of the representations, warranties and agreements set forth in Article 4 hereof and elsewhere in this Contract, all Exhibits and Schedules annexed hereto, or in any letter or certificate furnished to Purchaser pursuant hereto, each of which is incorporated herein by reference and made a part hereof, shall be true upon the execution of this Contract and shall be deemed repeated on and as of the date of the Closing. No such representation or warranty shall omit to state a material fact necessary to make the statements contained therein not misleading. From time to time between the date of this Contract and the Closing, to the extent that any of Seller's representations or warranties set forth in this Contract changes or becomes inaccurate, Seller shall so notify Purchaser.

(w) Without limiting any of the rights of Purchaser elsewhere provided for in this Contract, it is agreed that the obligation of Purchaser to close under this Contract is conditioned upon, and shall be subject to, the accuracy,

truthfulness and completeness of all of Seller's representations and warranties in all material respects, and the due compliance by Seller of all of its agreements set forth in Article 4 hereof and elsewhere in this Contract. If, at the Closing, any of Seller's representations or warranties are determined to be inaccurate, untrue or incomplete in any material respect, then Purchaser may elect to terminate this Contract by notice given to Seller in addition to any other remedy specifically provided herein. If this Contract is so terminated, Seller shall promptly cause the Downpayment to be refunded to Purchaser, with all interest earned thereon, and Seller shall promptly pay the cost of any survey obtained. Upon such refund and payment, this Contract shall terminate and neither party to this Contract shall have any further rights or obligations hereunder other than any arising under Article 14 hereof. Notwithstanding anything to the contrary contained in the preceding sentence, if on the date scheduled for Closing any of Seller's representations or warranties are determined to be inaccurate, untrue or incomplete in any material respect, Seller shall have the same sixty (60) days (as opposed to an additional sixty (60) days, as provided in Section 13.01 hereof), to adjourn the Closing to correct the underlying facts of the representations or warranties in question. For the purposes of this Section, if, at the Closing, any of Seller's representations or warranties are inaccurate, untrue or incomplete in any respect, and the resulting cost, expense and/or damages that Purchaser may incur, pay or be liable for as a result of such inaccuracy, untruthfulness or incompleteness is reasonably determinable and quantifiable at the Closing and is, at the Closing determined to be, and quantified at, \$25,000.00 or less in the aggregate, then such inaccuracy, untruthfulness or incompleteness shall be deemed not material. If such quantified amount in the aggregate is greater than \$25,000.00 but less than \$50,000.00, and any such inaccurate, untrue or incomplete representation or warranty of Seller can be made accurate, true or complete with the payment of money on or prior to the Closing, Seller shall be obligated to spend such amount in order to correct or complete such representation and/or warranty on or prior to the Closing. Any amount incurred by Seller in connection with the foregoing curative action shall be deducted from and reduce the \$50,000.00 Maximum Expense of Seller set forth in Schedule "D", item no. 14. Under no circumstances shall Seller be obligated to spend more than \$50,000.00, in the aggregate, to cure any matter(s) set forth in this Contract and/or relating to the Premises (except as otherwise specifically provided in Insert #39A to Section 13.02 hereof and in Section 22(c) hereof), whether before, on or after the date of the Closing.

In connection with the foregoing, at the Closing, Seller shall deposit (from the proceeds of the Purchase Price) the sum of \$50,000.00 less any amount incurred by Seller in reduction of the \$50,000.00 Maximum Expense set forth in Schedule "D", item no. 14 (the "Rep/Warranty Reserve"), in escrow with Greenberg Traurig Hoffman Lipoff Rosen & Quentel, P.C. ("GTHLR&Q") in order to secure Seller's obligations to cure or correct, on or after the Closing, any inaccurate, untrue or incomplete material representation or warranty of Seller (which is specifically provided in Article 26 hereof to survive the Closing and for the specific survival period therein provided), as expressly set forth above in this Section 21(w). The Rep/Warranty Reserve shall be held in one or more interest-bearing escrow accounts of GTHLR&Q for a period commencing on the date of the Closing and expiring on the earlier to occur of (i) six (6) months after the date of the Closing or (ii) December 15, 1998 ("Reserve Period I"). Proceeds from the Rep/Warranty Reserve shall be released by GTHLR&Q and used by Seller, following Seller's and Purchaser's written direction to GTHLR&Q, for the foregoing purposes. At the expiration of Reserve Period I, GTHLR&Q shall notify Seller and Purchaser in writing of GTHLR&Q's intention to

release the unapplied balance of the Rep/Warranty Reserve to Seller; if Purchaser does not object to such release in writing to GTHLR&Q within five (5) business days after receipt of such notice from GTHLR&Q, GTHLR&Q shall release the proceeds of such Rep/Warranty Reserve (or that portion thereof not contested by Purchaser) to Seller. All interest earned on the Rep/Warranty Reserve shall be paid to Seller.

Notwithstanding any provision in this Contract to the contrary, (i) the foregoing provisions of this Section 21(w) shall not affect or extend any of the survival periods, if any, set forth in Article 26 hereof (and shall not create any survival period not set forth in said Article 26) and (ii) the Rep/Warranty Reserve shall not be used to cure, satisfy or address any matter relating to "Rent Claims" or other matters covered by the "Rent Reserve" in accordance with Section 22(c) hereof unless, and to the extent that, a Rent Claim relates specifically to an Article 21 representation or warranty which relates specifically to the substance of such Rent Claim. The provisions of this Section 21(w) shall survive the Closing.

GTHLR&Q shall be afforded the same protections of Escrowee provided in Section 2.05 hereof with respect to the Rep/Warranty Reserve.

22. Seller's Obligations Under Leases

(a) Attached hereto as Schedule "M" are the leasing criteria for new leases (the "Leasing Criteria"), acceptable to Seller and Purchaser. All such leases entered into between the date of this Contract and the Closing by Seller, as landlord, are herein referred to as the "New Leases", except that Seller's right to enter into New Leases is subject to Section 22(b) hereof. Within two (2) business days after Seller enters into a New Lease, or immediately prior to the Closing (if the New Lease is entered into within two (2) business days prior to the Closing), Seller shall deliver to Purchaser an updated Schedule "E" setting forth, with respect to each New Lease, all of the information provided for in said Schedule "E". For the purposes of the representations, warranties, covenants and conditions set forth in this Contract, immediately upon Seller's entering into a New Lease, such New Lease shall be deemed an Existing Lease, except that all of the representations and warranties that are made as of the date of this Contract shall be deemed to have been made as of the date of the New Lease. (For the purposes of this Contract, the Existing Leases and all New Leases, if any, are herein referred to, collectively, as the "Leases.") In addition, from time to time between the date of this Contract and the Closing, to the extent that any of the information set forth in the said Schedule "E" changes with respect to an Existing Lease or a New Lease, or if any of the representations or warranties set forth in this Contract with respect to a Lease changes or becomes inaccurate, Seller shall so notify Purchaser.

(b) If Purchaser wishes to enter into a New Lease prior to the Closing, it has the authority to enter into such lease as authorized leasing agent of Seller provided the Leasing Criteria is satisfied in all material respects with respect to such New Lease. Notwithstanding anything to the contrary set forth in this Contract, if Seller wishes to enter into a New Lease prior to the Closing, Seller shall notify Purchaser of same in writing. Within three (3) business days after receipt of Seller's written notice of such proposed New Lease (which notice shall set forth the name and address of the proposed Tenant, the terms of such New Lease and the New Lease Expenses (as hereinafter defined)), Purchaser shall advise Seller in writing whether it consents to such New Lease. Purchaser shall have the right to reject such New Lease if the Leasing Criteria is not satisfied in Purchaser's reasonable judgment.

If Purchaser rejects a New Lease pursuant to which the Leasing Criteria has been satisfied in Seller's reasonable judgment, then, at the Closing, Purchaser shall pay to Seller all rental and other income which Seller would have been entitled to receive pursuant to such New Lease (from the rent commencement date of the New Lease until the date of the Closing) as if such New Lease had been executed and delivered by Seller and the proposed Tenant.

Notwithstanding anything to the contrary set forth in this Contract, from and after the date hereof, Purchaser shall be solely responsible for, and shall be the exclusive leasing agent with respect to, any New Leases (other than New Leases with those existing or potential tenants identified in subsection (d) of this Section 22 with whom such leases are under discussion or negotiation by Seller's agents and representatives) and may, without the consent of Seller, enter into any New Leases and brokerage commission agreements (which shall expressly provide that such brokers shall look only to the landlord with respect to payment of such commissions) provided the Leasing Criteria is met in all material respects.

A New Lease, where applicable, may require the landlord to pay outside real estate brokerage commissions and the cost of tenant improvements ("New Lease Expenses"). All New Lease Expenses shall be funded from the three (3) Downpayments, to the extent available, delivered on this date (and as may be supplemented at a future date in accordance with Insert #47 to Schedule "D", item no. 7) to Mandel & Resnik P.C. ("Escrowee") in connection with this Contract, the contract with respect to the 30th Street Property and the contract with respect to the Nassau Street Property (collectively, the "Combined Downpayment"). As funds are required to be paid for New Lease Expenses prior to the Closing, such funds shall be disbursed from the Combined Downpayment pursuant to specific written instructions signed and delivered from both Purchaser and Seller to Escrowee, and such parties hereby authorize Escrowee to release and disburse any portion of the Combined Downpayment in accordance with such instructions.

At the Closing, all New Lease Expenses shall be assumed by Purchaser and any amount disbursed from the Combined Downpayment in connection therewith shall be added to the balance of the Purchase Price payable by Purchaser at the Closing. If the Closing does not occur due to a default by Purchaser, Purchaser shall pay to Seller (not later than ten (10) days after the scheduled date of the Closing) the amount of any New Lease Expenses disbursed from the Combined Downpayment, and such amount shall be deemed to be part of the liquidated damages due to Seller pursuant to Article 2 hereof. If the Closing does not occur due to any reason other than Purchaser's default hereunder, Seller shall deliver to Escrowee (not later than ten (10) days after the scheduled date of the Closing) a sum equal to the amount disbursed from the Combined Downpayment on account of New Lease Expenses. It is the intention of Purchaser and Seller that, on the date of the Closing, the entire Combined Downpayment shall equal (exclusive of interest earned) the aggregate amount originally delivered (and any amounts subsequently delivered in accordance with Insert #47 to Schedule "D", item no. 7) by Purchaser to Escrowee in connection with this Contract and the contracts relating to the 30th Street Property and the Nassau Street Property.

(c) Notwithstanding anything to the contrary set forth in this Contract, Seller shall be responsible for any and all quantifiable overcharges or other quantifiable unperformed or improperly performed obligations of Seller, as landlord, with respect to rent, rent rebates, additional rent, rent adjustments, rent concessions, offsets or setoffs, escalations, services, utilities or other improper charges or unperformed or improperly performed obligations to tenants at



the Premises claimed or asserted by such tenants if such claims or assertions (i) after investigation by Purchaser and Seller, are verified (and any amounts payable are quantified, and such amounts are determined to be payable in accordance with the applicable leases) by both Purchaser and Seller, in writing, in their reasonable judgment, (ii) are made by such tenants prior to December 15, 1998 and (iii) relate to any period prior to the date of the Closing (collectively, "Rent Claims"). In connection therewith, Seller shall deposit the sum of \$150,000.00 (the "Rent Reserve") with GTHLR&Q at the Closing to secure Seller's obligations to pay and be responsible for approved Rent Claims which shall have resulted or will result in any rent rebates, rent adjustments, rent concessions, offsets or setoffs by landlord in favor of tenants at the Premises after the date of the Closing. The Rent Reserve shall be held in one or more interest-bearing escrow accounts of GTHLR&Q for the period coterminous with Reserve Period I ("Reserve Period II"), to be used or needed to pay Purchaser or any tenants for such approved Rent Claims. At the expiration of Reserve Period II, GTHLR&Q shall notify Seller and Purchaser in writing of GTHLR&Q's intention to release the unapplied balance of the Rep/Warranty Reserve to Seller; if Purchaser does not object to such release in writing to GTHLR&Q within five (5) business days after receipt of such notice from GTHLR&Q, GTHLR&Q shall release the proceeds of such Rent Reserve (or that portion thereof not contested by Purchaser) to Seller. All interest earned on the Rent Reserve shall be paid to Seller.

GTHLR&Q shall be afforded the same protections of Escrowee provided in Section 2.05 hereof with respect to the Rent Reserve.

(d) There are pending leasing matters at the Premises between Seller's agents and representatives and the following existing or potential tenants: (i) Local 78, Local 79, Mason Tenders; (ii) GHI; (iii) Kenneth Cole; (iv) Parachute Properties; (v) York-Hunter; (vi) Duane Reade; (vii) On-Site Sourcing, Inc.; (viii) New York City Housing Authority; (ix) Bell Atlantic; (x) The Hillier Group; (xi) Holmes Protective/TYCO; (xii) "Litigation/Workout" Room for a Major Law Firm; and (xiii) Betelguese Productions.

(e) The provisions of this Article 22 shall survive the Closing.

23. Additional Covenants of Seller.

(a) Seller shall provide or cause to be provided all such services with respect to the Premises and the tenants that are now required to be provided or currently are being provided.

(b) Seller shall maintain and keep the Premises, including mechanical equipment of every kind used in the operation thereof, in a condition at least as good as its present condition so that the same shall be in a condition at least as good as its present condition on the date of the Closing, reasonable wear and tear excepted, and Seller shall not enter into any contracts, agreements or arrangement, including Service Contracts, or extend or modify any existing contracts, agreements or arrangements, including Service Contracts, which may affect the Premises in any manner whatsoever (other than with respect to New Leases as herein provided), without Purchaser's prior consent.

(c) No Personal Property included in this sale shall be removed from the Premises unless the same are replaced with similar items of at least equal quality prior to the Closing.

(d) If the landlord under any Lease or Tenancy has an obligation, whether accrued or contingent, to reimburse the tenant under such Lease or Tenancy, whether by way of payment

or rent credit, for any expenses incurred by such tenant, Seller shall pay to Purchaser an amount equal to such payment or credit for reimbursable expenses at the Closing, provided such expenses were or are to be incurred by such tenant prior to or after the date of the Closing. Prior to the Closing, Seller shall perform and comply with all obligations and provisions to be performed and complied with by the tenant under any take-over leases entered into in connection with the leasing of the Premises, and Seller shall indemnify Purchaser against and hold Purchaser harmless from all losses, damages, liabilities and expenses (including, without limitation, reasonable attorneys' fees and disbursements) suffered or incurred by Purchaser as a result of Seller's failure to perform and comply with such obligations and provisions.

(e) Prior to the Closing, Seller shall make all books and records (including tenant files) relating to the ownership and operation of the Premises available to Purchaser and its accountants, attorneys and other representatives, and, upon reasonable prior notice at reasonable times, shall permit Purchaser's accountants, attorneys and other representatives to examine, audit and make copies of the same, at Purchaser's sole cost and expense. Prior to the Closing, Seller shall cooperate with Purchaser's accountants, attorneys and other representatives, shall allow such persons to make extracts from the aforesaid books and records and shall respond fully and candidly to inquiries made by such accountants, attorneys and other representatives.

(f) After the date hereof, Seller shall request that, at the Closing, the holder of Seller's mortgage note and mortgage, upon receipt of full pay-off proceeds, assign such documents to Purchaser's designee. Seller agrees to reasonably cooperate with Purchaser and such lender in connection with the foregoing.

24. Failure of Seller to Perform

Except for a willful default by Seller, if Seller is unable for any reason to satisfy the conditions to Closing set forth herein, the sole remedy of Purchaser hereunder shall be the return of the Downpayment and the payment by Seller to Purchaser of the "net cost of title examination" and the cost of updating the survey for the Premises, Purchaser hereby waiving any right or claim for damages or specific performance and the right to file a lis pendens against the Premises. If Purchaser believes that any of the Sellers has willfully defaulted under any of the three contracts described in Article 19 hereof and if Purchaser elects to commence an action against such selling partnership for specific performance with respect to the particular contract executed by such selling partnership, Purchaser must commence such action, and diligently prosecute the same, against all three of the Sellers with respect to all three of the Properties in one consolidated proceeding. If Purchaser discontinues such action at any time, Purchaser must release all three of the Sellers and their respective Properties, with prejudice, therefrom.

25. Notices

Except as otherwise expressly permitted in this Contract, all notices, demands, approvals, consents, requests and other communications which under the terms of this Contract, or under any statute, must or may be given or made by the parties hereto, must be in writing, and must be made either (i) by depositing such notice in the registered or certified mail of the United States of America, return receipt requested, or (ii) by delivering such notice by a commercial courier, which courier provides for delivery with receipt guaranteed, or (iii) by hand delivery, addressed to each party as follows:

If to Purchaser: at the address set forth on the first page of this Contract, Attention: Benjamin P. Feldman, Esq.

With a copy to: Greenberg Traurig Hoffman Lipoff Rosen & Quentel, P.C. Attention: Paul R. Alter, Esq. 200 Park Avenue New York, New York 10166

If to Seller: at the address set forth on the first page of this Contract, Attention: Mr. Michael Green

With a copy to: Mandel & Resnik P.C. Attention: Barry H. Mandel, Esq. 220 East 42nd Street - 20th Floor New York, New York 10017

If to Escrowee: Mandel & Resnik P.C. Attention: Barry H. Mandel, Esq. 220 East 42nd Street - 20th Floor New York, New York 10017

All notices, demands, approvals, consents, requests and other communications shall be deemed to have been delivered (i) if mailed as provided for in this Article, on the date which is three (3) business days after mailing or (ii) if sent by commercial courier, on the date which is one (1) business day after dispatching, or (iii) if sent by hand delivery, on the date of such delivery or refusal to accept same. Either party may designate by notice in writing given in the manner herein specified a new or other address to which such notice, demand, approval, consent, request or other communication shall thereafter be so given or made. A notice given by counsel for Seller or Purchaser shall be deemed a valid notice if addressed and sent in accordance with the provisions of this Article.

26. Survival.

Except as otherwise provided in this Contract, no representations, warranties, covenants or other obligations of Seller set forth in this Contract shall survive the Closing, and no action based thereon shall be commenced after the Closing. The representations, warranties, covenants and other obligations of Seller set forth in Sections 6.01, 6.02, 21(a) and 21(k) hereof shall survive the Closing for ninety (90) days, and no action based thereon shall be commenced after the last day of such ninety (90) day period. Notwithstanding anything contained in this Contract to be contrary, (i) the covenants and obligations of Seller set forth in Sections 9.05, 12.03, 14.01, 21(c), 21(f), 21(g) and 23(d) hereof shall survive the Closing indefinitely, subject to applicable statutes of limitation, and (ii) with respect to Section 21(k) hereof, the survival of Seller's representation for 90 days shall be limited to any liens filed or to be filed against the Premises resulting from work caused to be performed by Seller (and for which no tenant is responsible).

27. Miscellaneous Provisions.

(a) Supplementing Section 17.06 hereof, the submission of this Contract for examination shall not bind Seller in any manner or be construed as an offer to sell, and no contract or obligation of Seller or Purchaser shall arise until this instrument is executed and delivered by both Seller and Purchaser and the Downpayment has been received and collected by Escrowee.

(b) At or prior to the Closing, Seller shall deliver an estoppel certificate (in the form annexed hereto as Exhibit

"D") duly executed and delivered by each of the Existing Tenants listed on Schedule "L" hereto or, if Seller is unable to obtain and deliver such estoppel certificate from one or more of such tenants, Seller shall execute and deliver such estoppel certificate(s) in its name. Each such estoppel certificate delivered by each of the Existing Tenants shall be dated not earlier than April 1, 1998 and Seller's estoppel certificate(s) shall be dated not earlier than five (5) business days prior to the date of the Closing. In addition, Seller shall submit such estoppel certificate to all other tenants of the Building. Seller shall use its reasonable efforts to have all tenants complete, execute and deliver such estoppel certificate to Purchaser prior to the Closing; however, a tenant's failure or refusal to execute and return an estoppel certificate (in the form of Exhibit "D") or a tenant's modification of or supplement to the text of such estoppel certificate (which has been executed and returned by such tenant), shall not be deemed a default by Seller under this Contract or entitle Purchaser to terminate this Contract provided that Seller has delivered, at the Closing, substitute estoppel certificate(s) in its name as provided above.

(c) Prior to the Closing, Seller, at Seller's election, may convert the within transfer of title to the Premises to a tax free exchange under Section 1031 of the Internal Revenue Code, provided that such tax free exchange in no way delays the Closing under this Contract. If Seller so elects, Purchaser, at no cost or expense to Purchaser, shall cooperate with Seller in effectuating said tax free exchange, and Seller shall indemnify and hold Purchaser harmless from and against any and all costs, expenses, damages and liabilities incurred or paid by Purchaser in connection therewith, Seller's obligation under this Section surviving the Closing.

(d) Except as otherwise specifically set forth herein, Seller has not made and does not make, and Seller has not authorized any other party to make, any representations or other statements whatsoever as to: the use, convertibility for other use, occupancy, physical condition (including, without limitation, the presence or absence of hazardous materials in, on or about the Premises), market value, state of repair, gross or net income derived from the Premises, expenses of operation (including, without limitation, taxes assessed against the Premises), or any other matter or thing affecting or relating to the Premises or the fixtures and items of Personal Property included in this sale and Purchaser hereby expressly acknowledges that no such representations or other statements have been made by or on behalf of Seller.

(e) Neither party shall record this Contract or any memorandum hereof. Any such filing or recordation shall be null and void ab initio. Further, any attempt by Purchaser to record this Contract as aforesaid shall be a default of Purchaser hereunder and thereupon, at Seller's option, this Contract shall be deemed terminated and Seller shall have any and all remedies for the default of Purchaser as provided herein.

(f) For the purposes of this Contract, all representations and warranties made by Seller shall be based upon the actual knowledge of Mr. Norman Sturner and/or Mr. Neil Siderow.

28. Inspection

Purchaser has caused or has waived the right to cause a full and complete inspection to be made of the Premises and the Personal Property, as well as a thorough investigation regarding all matters and things relating to the Premises, including all environmental matters relating thereto. Except as otherwise set forth in this Contract, Purchaser shall take title to the Premises and any fixtures and items of Personal Property being sold therewith "AS IS" and "WHERE IS" as of the

date hereof, subject to any and all conditions and defects of any nature whatsoever (including, without limitation, structural, environmental, latent and other conditions or defects) which may now or hereafter exist.

29. Risk of Loss

Supplementing the provisions of Article 8 hereof, the risk of loss shall be on Seller until the Closing and thereafter it shall be assumed by Purchaser. In the event of a fire or other casualty or condemnation of a material nature occurring prior to the Closing, Purchaser shall have the option of either terminating this Contract or acquiring the Premises with an abatement in the Purchase Price in an amount equal to the insurance proceeds paid in respect of the damages sustained to the Premises.

30. Management

Seller shall cancel, on or before the date of the Closing, any and all management agreements applicable to the Premises and such cancellation shall be a condition precedent to Purchaser's obligation to purchase the Premises.

31. Rent Arrears

As to prior rent arrears, Purchaser shall receive the first rents from tenants in arrears as a trust fund for prompt remission to Seller in payment of such tenant's arrears. However, if a court of competent jurisdiction shall have finally determined that any tenant in arrears is entitled to a rent abatement with respect to any portion of prior rent arrears, the payment due to Seller pursuant to the immediately preceding sentence shall be appropriately adjusted. The provisions of this Article shall survive the Closing.

32. Termination of Tenancies

(a) If any tenant shall fail to comply with the provisions of any lease or other agreement affecting the Premises, or any part thereof, prior to the Closing, Seller shall have the right to commence summary proceedings against such tenant(s) in the event of non-payment of rent, and to prosecute such proceedings to money judgment (but not a judgment of possession) after the Closing (with Purchaser's cooperation, at no cost to Purchaser if such action relates to unpaid rents due exclusively to Seller for any period(s) prior to the Closing).

(b) Seller makes no representation and assumes no responsibility with respect to continued occupancy of the Premises or any part thereof by any tenant or tenants now in possession. Prior to the Closing, (i) Seller shall not settle any suit, action or proceeding commenced to enforce the collection of rents or Additional Rents due Seller from past, present or future tenants of the Building without obtaining Purchaser's prior consent (which consent shall not be unreasonably withheld or delayed) if such settlement would materially adversely affect Purchaser's rights, after the Closing, in any respect; and (ii) Seller shall be entitled, but not obligated, to enforce the rights under any lease or any tenancy by summary proceedings or otherwise; however, Seller shall not terminate any lease without Purchaser's prior consent.

33. Title Objections.

Purchaser shall order a title report and a full lien and municipal search with respect to the Premises promptly upon execution of this Contract, and shall instruct its title company to deliver a copy of the title report and all title documents and title updates and continuations to be delivered

to Mandel & Resnik P.C., 220 East 42nd Street - 20th Floor, New York, New York 10017, Attention: Barry H. Mandel, Esq., at the time such documents and information are delivered to Purchaser and/or its counsel. All objections to title must be submitted by Purchaser in writing to Mandel & Resnik P.C. promptly following Purchaser's receipt of a title report and each title update or continuation, but not less than ten (10) days prior to the date of the Closing set forth herein. All objections not so submitted to Seller's counsel shall be deemed waived by Purchaser, except with respect to any matters of title initially disclosed to Purchaser and Seller within such 10-day period (in which event any objections to title shall be communicated to Seller's counsel not later than the second business day following receipt, so long as such second business day precedes the date of the Closing). Any attempt by Seller to cure an objection shall not be construed as an admission by Seller that such objection is one which would give Purchaser the right to cancel this Contract.

NINTH AVENUE ASSOCIATES

BY: MURRAY HILL PROPERTIES XI,  
General Partner

BY: MURRAY HILL PROPERTIES,  
General Partner

By: /s/ Norman Sturner  
-----  
Norman Sturner,  
General Partner

SL GREEN OPERATING PARTNERSHIP, L.P.,

BY: SL GREEN REALTY CORP.,  
General Partner

By: /s/ Steven H. Klein  
-----  
Steven H. Klein,  
Executive Vice President

LIST OF SCHEDULES AND EXHIBITS

38 East 30th Street

Schedule	A	-	Legal Description of Premises
Schedule	B	-	Permitted Exceptions
Schedule	C	-	Purchase Price
Schedule	D	-	Miscellaneous Information
Schedule	E	-	Existing Leases, Rent Roll and Security Deposits
Schedule	F	-	Insurance
Schedule	G	-	Pay Roll/Employees
Schedule	H	-	Service Contracts
Schedule	I	-	Certain Pending Transactions for which Purchaser may be Obligated to Pay a Brokerage Commission [Intentionally Omitted]
Schedule	J	-	Operating Statements
Schedule	K	-	List of Existing Tenants for Estoppel Certificates
Schedule	L	-	Leasing Criteria
Schedule	M	-	
Exhibit A		-	Assignment and Assumption of Leases and Security Deposits
Exhibit B		-	Assignment and Assumption of Contracts
Exhibit C		-	Form of Notice to Tenants
Exhibit D		-	Tenant Estoppel Certificate

Schedule A

Legal Description of Premises

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

BEGINNING at the corner formed by the intersection of the easterly side of Ninth Avenue and the southerly side of 35th Street;

RUNNING THENCE easterly along the southerly side of 35th Street, 198 feet 10 1/2 inches;

THENCE southerly parallel with Ninth Avenue and part of the way through a party wall, 98 feet 9 inches;

THENCE westerly parallel with 35th Street, 198 feet 10 1/2 inches to the easterly side of Ninth Avenue;

THENCE northerly along said easterly side of Ninth Avenue, 98 feet 9 inches to the point or place of BEGINNING.

Premises known as: 440 Ninth Avenue a/k/a 366-367 West 35th  
Street, New York, New York.  
Block 758  
Lot 82



Schedule C

PURCHASE PRICE

The Purchase Price shall be paid as follows:

(a) By check subject to collection  
or by wire transfer, the receipt of  
which is hereby acknowledged by Seller: \$ 1,450,000.00

(b) By check, checks or wire transfer  
delivered to Seller at Closing in  
accordance with the provisions of  
Section 2.02: \$27,550,000.00

Purchase Price \$29,000,000.00  
=====

Schedule D

MISCELLANEOUS

1. Title insurer designated by the parties (ss.1.02):
5. Seller's tax identification number (ss.2.05):
6. Purchaser's tax identification number (ss.2.05):
7. Scheduled time and date of Closing (ss.3.01): [INSERT 47]
8. Place of Closing (ss.3.01): [INSERT 48]
9. Assessed valuation of Premises (ss.4.10): [INSERT 48A]
10. Fiscal year and annual real estate taxes on Premises (ss4.10): \$1,135,614.04
11. Tax abatements or exemptions affecting Premises (ss.4.10): None
12. Assessments on Premises (ss.4.13): None
14. Maximum Expense of Seller to cure title defects, etc. (ss.13.02): [INSERT 49]
15. Broker, if any (ss.14.01): Murray Hill Properties Corp.
16. Party to pay broker's commission (ss.14.01): Seller
- 17.
- 18.
19. Additional Schedules or Riders (ss.17.08): see attached

Schedule E

RENT SCHEDULE

(to be attached separately)

Distributed by Julius Blumberg, Inc.  
NYC 10013

Content of sale for new York Office, commercial and multi-family residential premises.

Prepared by the Real Property Committee of the Association of the Bar of the City of New York.

NOTE: This form is intended to cover matters common to most transactions. Provisions should be added, altered or directed to suit the circumstances of a particular transaction.

Contract of Sale-Office, Commercial and Multi-Family Residential Premises

Table of Contents

- Section 1. Sale of premises and acceptable title
- Section 2. Purchase price, acceptable funds, existing mortgages, purchase money mortgage, escrow of downpayment and foreign persons
- Section 3. The closing
- Section 4. Representations and warranties of seller
- Section 5. Acknowledgements of purchaser
- Section 6. Seller's obligations as to leases
- Section 7. Responsibility for violations
- Section 8. Destruction, damage or condemnation
- Section 9. Covenants of seller
- Section 10. Seller's closing obligations
- Section 11. Purchaser's closing obligations
- Section 12. Apportionments
- Section 13. Objections to title, failure of seller or purchaser to perform and vendee's lien
- Section 14. Broker
- Section 15. Notices
- Section 16. Limitations on survival of representations, warranties, covenants and other obligations
- Section 17. Gains tax and miscellaneous provisions
- Signatures and receipt by escrowee
- Schedule A. Description of premises (to be attached)
- Schedule B. Permitted exceptions
- Schedule C. Purchase price
- Schedule D. Miscellaneous
- Schedule E. Rent schedule (to be attached)

CONTRACT dated March 25, 1998 between 30th Street Associates, a New York limited partnership, having offices c/o Murray Hill Property Management, Inc., 440 Ninth Avenue Penthouse, New York, New York 10001

("Seller") and

SL Green Operating Partnership, L.P., a Delaware limited partnership, having an address c/o SL Green Realty Corp., 70 West 36th Street, New York, New York 10018

("Purchaser").

Seller and Purchaser hereby covenant and agree as follows:

Section 1. Sale of Premises and Acceptable Title

ss.1.01. Seller shall sell to purchaser, and Purchaser shall purchase from Seller, at a price and upon the terms and conditions set forth in this contract: (a) the parcel of land more particularly described in Schedule A attached hereto ("Land") [INSERT 1]; (b) [INSERT 2] all buildings and improvements situated on the Land (collectively, "Building"); (c) all right, title and interest of Seller, if any, in and to the land lying in the bed of any street or highway in front of or adjoining the Land to the center line thereof and to any unpaid award for any taking by condemnation or any damage to the Land by reason of a change of grade of any street or highway; (d) the appurtenances and all the

estate and rights of Seller in and to the Land and Building; and (e) all right, title and interest of Seller, if any, in and to the fixtures, [INSERT 2A] equipment attached or appurtenant to the Building (collectively, "Premises"). [INSERT 2B] The Premises are located at or known as

38 East 30th Street  
New York, New York

ss.1.02. Seller shall convey and Purchaser shall accept fee simple title to the Premises in accordance with the terms of this contract, subject only to: (a) the matters set forth in Schedule B attached hereto (collectively, "Permitted Exceptions"); and (b) such other matters as (i) the title insurer specified in Schedule D hereto (or if none is so specified, then any title insurer licensed to do business by the State of New York) shall be willing, without special premium, to omit as exceptions to coverage or to except with insurance against collection out of or enforcement against the Premises.

Section 2. Purchase Price, Acceptable Funds, Existing Mortgages, Purchase Money Mortgage and Escrow of Downpayment

ss.2.01. The purchase price ("Purchase Price") to be paid by Purchaser to Seller for the Premises as provided in Schedule C attached hereto is \$10,500,000.00

ss.2.02. All monies payable under this contract, unless otherwise specified in this contract, shall be paid by (a) certified checks of Purchaser or any person making a purchase money loan to Purchaser drawn on any bank, savings bank, trust company or savings and loan association having a banking office in the State of New York [INSERT 3] or official bank checks drawn by any such banking institution, payable to the order of Seller, [INSERT 4] except that uncertified checks of Purchaser payable to the order of Seller up to the amount of one-half of one percent of the Purchase Price shall be acceptable for sums payable to Seller at the Closing.

ss.2.05. (a) The sum paid under paragraph(a) of Schedule C [INSERT 5] other sums paid on account of the Purchase Price prior to the Closing (collectively, "Downpayment") [INSERT 6] paid by check or checks drawn to the order of and delivered to [INSERT 7] ("Escrowee"). The Escrowee shall hold the proceeds thereof in escrow in a special bank account (or as otherwise agreed in writing by Seller, Purchaser and Escrowee) until the Closing or sooner termination of this contract and shall pay over or apply such proceeds in accordance with the terms of this section. Escrowee [INSERT 8] hold such proceeds in an interest-bearing account. Any interest earned thereon shall be paid to the same party entitled to the escrowed proceeds, and the party receiving such interest shall pay any income taxes thereon. The tax identification numbers of the parties are either set forth in Schedule D or shall be furnished to Escrowee upon request. At the Closing, such proceeds and the interest thereon, if any, shall be paid by Escrowee to Seller. [INSERT 9] If for any reason the Closing does not occur and either party makes a written demand upon Escrowee for payment of such amount, Escrowee shall give written notice to the other party of such demand. If Escrowee does not receive a written objection from the other party to the proposed payment within 10 business days after the giving of such notice, Escrowee is hereby authorized to make such payment. If Escrowee does receive such written objection within such 10 day period or if for any other reason Escrowee in good faith shall elect not to make such payment, Escrowee shall continue to hold such amount until otherwise directed by written instructions from the parties to this contract or a final judgment of a court. However, Escrowee shall have the right at any time to deposit the escrowed proceeds and interest thereon, if any, with the clerk of the Supreme Court of the county in which the Land is located. Escrowee shall give written notice of such deposit to Seller and Purchaser. Upon such deposit Escrowee shall be relieved and discharged of all further obligations and responsibilities hereunder.

(b) The parties acknowledge that Escrowee is acting solely as a stakeholder at their request and for their convenience, that Escrowee shall not be deemed to be the agent of either of the parties, and that Escrowee shall not be liable to either of the parties for any act or omission on its part unless taken or suffered in bad faith, in willful disregard of this contract or involving gross negligence. Seller and Purchaser shall jointly and severally indemnify and hold Escrowee harmless from and against all costs, claims and expenses, including reasonable attorneys' fees, incurred in connection with the performance of Escrowee's duties hereunder, except with respect to actions or omissions taken or suffered by Escrowee in bad faith, in willful disregard of this contract or involving gross negligence on the part of Escrowee.

[INSERT 10]

(c) Escrowee has acknowledged agreement to these provisions by signing in the place indicated on the signature page of this contract.

### Section 3. The Closing

ss.3.01. Except as otherwise provided in this contract, the closing of title pursuant to this contract ("Closing") shall take place on the scheduled date and time of closing specified in Schedule D (the actual date of the Closing being herein referred to as "Closing Date") at the place specified in Schedule D.

### Section 4. Representations and Warranties of Seller

Seller represents and warrants to Purchaser as follows:

ss.4.01. Unless otherwise provided in this contract, Seller is the sole owner of the Premises.

ss.4.02.

ss.4.03. If any Leases which have been exhibited to and initialed by Purchaser or its representative contain provisions that are inconsistent with the foregoing representations and warranties, such representations and warranties shall be deemed modified to the extent necessary to eliminate such inconsistency and to conform such representations and warranties to the provisions of the Leases.

ss.4.04.

ss.4.05.

ss.4.06. [INSERT 11] lists all insurance policies presently affording coverage with respect to the Premises, and the information contained therein is accurate as of the date set forth therein or, if no date is set forth therein, as of the date hereof.

ss.4.07. [INSERT 12] lists all employees presently employed at the Premises, and the information contained therein is accurate as of the date set forth therein or, if no date is set forth in such schedule, [INSERT 13] covered by a union contract and there are no retroactive increases or other accrued and unpaid sums owed to any employee.

ss.4.08.

ss.4.09. The copy of a certificate of occupancy for the Premises exhibited to and initialed by Purchaser or its representative, is a true copy of the original and such certificate has not been amended, but Seller makes no representation as to compliance with any such certificate [INSERT 13A].

ss.4.10. The assessed valuation and real estate taxes set forth in Schedule D, if any, are the assessed valuation of the Premises and the taxes paid or payable with respect thereto for the fiscal year indicated in such schedule. Except as otherwise set forth in Schedule D, there are no tax abatements or exemptions affecting the Premises.

ss.4.11. [INSERT 14]

ss.4.12. Seller has no actual knowledge that any incineration, boiler or other burning equipment on the Premises is being operated in violation of applicable law [INSERT 15] copies of a certificate or certificates of operation therefor have been exhibited to and initialed by Purchaser or its representative, such copies are true copies of the originals.

ss.4.13. Except as otherwise set forth in Schedule D, Seller has no actual knowledge of any assessment payable in annual installments, or any part thereof, which has become a lien on the Premises.

## Section 5. Acknowledgments of Purchaser

Purchaser acknowledges that:

ss.5.01. Purchaser has inspected the Premises, is fully familiar with the physical condition and state of repair thereof, and, subject to the provisions of ss.7.01, ss.8.01, and ss.9.04, shall accept the Premises "as is" and in their present condition, subject to reasonable use, wear, tear and natural deterioration between now and the Closing Date, without any reduction in the Purchase Price for any change in such condition by reason thereof subsequent to the date of this contract.

ss.5.02. In entering into this contract, Purchaser has not been induced by and has not relied upon any representations, warranties or statements, whether express or implied, made by Seller or any agent, employee or other representative of Seller or by any broker or any other person representing or purporting to represent Seller, which are not expressly set forth in this contract, whether or not any such representations, warranties or statements were made in writing or orally. [INSERT 15A]

## Section 6. Seller's Obligations as to Leases

ss.6.01. Unless otherwise provided in a schedule attached to this contract, between the date of this contract and the Closing, Seller shall not, without Purchaser's prior written consent, (a) amend, renew or extend any [INSERT 16] Lease in any respect, unless required by law; (b) grant a written lease to any tenant [INSERT 16] occupying space pursuant to a Tenancy [INSERT 17]; or (c) terminate any Lease or Tenancy.

ss.6.02.

ss.6.03. If any space is vacant on the Closing Date, Purchaser shall accept the Premises subject to such vacancy, provided that the vacancy was not permitted or created by Seller in violation of any restrictions contained in this contract [INSERT 20]. Seller shall not grant any concessions or rent abatements for any period following the Closing without Purchaser's prior written consent. Seller shall not apply all or any part of the security deposit of any tenant unless such tenant has vacated the Premises.

ss.6.04. [INSERT 21] Seller does not warrant that any particular Lease or Tenancy will be in force or effect at the Closing or that the tenants will have performed their obligations thereunder. The termination of any Lease or Tenancy prior to the Closing by reason of the tenant's default shall not affect the obligations of Purchaser under this contract in any manner or entitle Purchaser to an abatement of or credit against the Purchase Price or give rise to any other claim on the part of Purchaser.

## Section 7. Responsibility for Violations

ss.7.01. [INSERT 22] notes on notices of violations of law or governmental ordinances, orders or requirements which were noted or issued prior to [INSERT 22A] the date of this contract by any governmental department, agency or bureau having jurisdiction as to conditions affecting the Premises and all liens which have attached to the Premises prior to the Closing pursuant to the Administrative Code of the City of New York, if applicable, shall be the sole responsibility of Purchaser.

ss.7.02.

ss.7.03. Regardless of whether a violation has been noted or issued prior to the date of this contract, Seller's failure to remove or fully comply with violations shall not be an objection to title.

ss.7.04. If required, Seller, upon written request by Purchaser, shall promptly furnish to Purchaser written authorizations to make any necessary searches for the purposes of determining whether notes or notices of violations have been noted or issued with respect to the Premises or liens have attached thereto.

## Section 8. Destruction, Damage or Condemnation

ss.8.01. The provisions of Section 5-1311 of the General Obligations Law shall apply to the sale and purchase provided for in this contract. [INSERT 23]

## Section 9. Covenants of Seller

Seller covenants that between the date of this contract and the Closing:

ss.9.01.

ss.9.02. Seller shall not modify or amend any Service Contract or enter into any new service contract unless the same is terminable without penalty. [INSERT 23A]

ss.9.03. Seller shall maintain in full force and effect until the Closing the insurance policies described in [INSERT 24] or renewals thereof for no more than one year of those expiring before the Closing.

ss.9.04. No fixtures, equipment or personal property included in this sale shall be removed from the Premises unless the same are replaced with similar items of at least equal quality prior to the Closing.

ss.9.05. Seller shall not withdraw, settle or otherwise compromise any protest or reduction proceeding affecting real estate taxes assessed against the Premises for any fiscal period in which the Closing is to occur or any subsequent fiscal period without the prior written consent of Purchaser, which consent shall not be unreasonably withheld. Real estate tax refunds and credits received after the Closing Date which are attributable to the fiscal tax year during which the Closing Date occurs shall be apportioned between Seller and Purchaser, after deducting the expenses of collection thereof, which obligation shall survive the Closing. [INSERT 24A]

ss.9.06. Seller shall allow Purchaser or Purchaser's representatives access to the Premises, the Leases and other documents required to be delivered under this contract upon reasonable prior notice at reasonable times.

#### Section 10. Seller's Closing Obligations

At the Closing, Seller shall deliver the following to Purchaser:

ss.10.01. A statutory form of bargain and sale deed without covenant against grantor's acts, containing the covenant required by Section 13 of the Lien Law, and properly executed in proper form for recording so as to convey the title required by this contract.

ss.10.02. All [INSERT 16] Leases initialed by Purchaser and all others in Seller's possession. [INSERT 25]

ss.10.03. A schedule of all cash security deposits and a check or credit to Purchaser in the amount of such security deposits, including any interest thereon, held by Seller on the Closing Date under [INSERT 16] Leases or, if held by an institutional lender, an assignment to Purchaser and written instructions to the holder of such deposits to transfer the same to Purchaser, and appropriate instruments of transfer or assignment with respect to any lease securities which are other than cash. [INSERT 26]

ss.10.04. A schedule updating the [INSERT 27] and setting forth all arrears in rents and all prepayments of rents. [INSERT 28]

ss.10.05. All Service Contracts initialed by Purchaser and all others in Seller's possession which are in effect on the Closing Date and which are assignable by Seller.

ss.10.06. An assignment to Purchaser, [INSERT 29] all of the interest of Seller in those Service Contracts, insurance policies, certificates, permits and other [INSERT 29A] documents to be delivered to Purchaser at the Closing which are then in effect and are assignable by Seller.

ss.10.07.

ss.10.10. To the extent they are then in Seller's possession [INSERT 30] and not posted at the Premises, certificates, licenses, permits, authorizations and approvals issued for or with respect to the Premises by governmental and quasi-governmental authorities having jurisdiction.

ss.10.11. Such affidavits as Purchaser's title company shall reasonably require in order to omit from its title insurance policy all exceptions for judgments, bankruptcies or other returns against persons or entities whose names are the same as or similar to Seller's name. [INSERT 31]

ss.10.12. Checks to the order of the appropriate officers in payment of all applicable real property transfer taxes and copies of any required tax returns therefor executed by Seller, which checks shall be certified or official bank checks if required by the taxing authority, unless Seller elects to have Purchaser pay any of such taxes and credit Purchaser with the amount thereof. [INSERT 31A]

ss.10.13. To the extent they are then in Seller's possession, copies of current painting and payroll records. Seller shall make all other Building and tenant files and records available to Purchaser for copying, which obligation shall survive the Closing.

ss.10.14. An original letter [INSERT 32], executed by Seller or by its agent, advising the tenants of the sale of the Premises to Purchaser and directing that rents and other payments thereafter be sent to Purchaser or as Purchaser may direct.

ss.10.15.

ss.10.16. [INSERT 33]

ss.10.17. Possession of the Premises in the condition required by this contract, subject to the Leases and Tenancies, and keys therefor.

ss.10.18. Any other documents required by this contract to be delivered by Seller.

#### Section 11. Purchaser's Closing Obligations.

ss.11.01. Deliver to Seller checks in payment of the portion of the Purchase Price payable at the Closing, as adjusted for apportionments under Section 12.

ss.11.02.

ss.11.03. Deliver to Seller an agreement indemnifying and agreeing to defend Seller against any claims made by tenants with respect to tenants' security deposits to the extent paid, credited or assigned to Purchaser under ss.10.03. [INSERT 35]

ss.11.04. Cause the deed to be recorded, duly complete all required real property transfer tax returns and cause all such returns and checks in payment of such taxes to be delivered to the appropriate officers promptly after the Closing.

ss.11.05. Deliver any other documents required by this contract to be delivered by Purchaser.

#### Section 12. Apportionments

ss.12.01. The following apportionments shall be made between the parties at the Closing as of the close of business on the day prior to the Closing Date:

(a) prepaid rents and Additional Rents (as defined in ss.12.03);

(b)

(c) real estate taxes, water charges, sewer rents and vault charges, if any, on the basis of the fiscal period for which assessed, except that if there is a water meter on the Premises, apportionment at the Closing shall be based on the last available reading, subject to adjustment after the Closing when the next reading is available;

(d) wages, vacation pay, pension and welfare benefits and other fringe benefits of all persons employed at the Premises whose employment was not terminated at or prior to the Closing;

(e) value of fuel stored on the Premises, at a price then charged by Seller's supplier, including any taxes;

(f) charges under [INSERT 36] Service Contracts or permitted renewals or replacements thereof;

(g) permitted administrative charges, if any, on tenants' security deposits;

(j) Reletting Expenses under ss.6.02, if any; and

(k) any other items listed in Schedule D.



If the Closing shall occur before a new tax rate is fixed, the apportionment of taxes at the Closing shall be upon the basis of the old tax rate for the preceding period applied to latest assessed valuation. Promptly after the new tax rate is fixed, the apportionment of taxes shall be recomputed. Any discrepancy resulting from such recomputation and any errors or omissions in computing apportionments at Closing shall be promptly corrected, which obligations shall survive the Closing.

ss.12.02. If any tenant is in arrears in the payment of rent on the Closing Date, rents received from such tenant after the Closing shall be applied in the following order of priority: (a) first to the month preceding the month in which the closing occurred; (b) then to the month in which the Closing occurred; (c) then to any month or months following the month in which the Closing occurred; and (d) then to the period prior to the month preceding the month in which the Closing occurred. If rents or any portion thereof received by Seller or Purchaser after the Closing are payable to the other party by reason of this allocation, the appropriate sum, less a proportionate share of any reasonable attorneys' fees, costs and expenses of collection thereof, shall be promptly paid to the other party [INSERT 37] which obligation shall survive the Closing.

ss.12.03. If any tenants are required to pay percentage rent, escalation charges for real estate taxes, operating expenses, cost-of-living adjustments [INSERT 37A] or other charges of a similar nature ("Additional Rents") and any Additional Rents are collected by Purchaser after the Closing which are attributable in whole or in part to any period prior to the Closing, then Purchaser shall promptly pay to Seller [INSERT 38] Seller's proportionate share thereof, less a proportionate share of any reasonable attorneys' fees, costs and expenses of collection thereof, if and when the tenant paying the same has made all payments of rent and Additional Rent then due to Purchaser pursuant to the tenant's Lease, which obligation shall survive the Closing [INSERT 39].

### Section 13. Objections to Title, Failure of Seller or Purchaser to Perform and Vendee's Lien

ss.13.01. Purchaser shall promptly order an examination of title and shall cause a copy of the title report to be forwarded to Seller's attorney upon receipt. Seller shall be entitled to a reasonable adjournment or adjournments of the Closing for up to 60 days, to remove any defects in or objections to title noted in such title report and any other defects or objections which may be disclosed on or prior to the Closing Date.

ss.13.02. If Seller shall be unable to convey title to the Premises at the Closing in accordance with the provisions of this contract or if Purchaser shall have any other grounds under this contract for refusing to consummate the purchase provided for herein, Purchaser, nevertheless, may elect to accept such title as Seller may be able to convey with a credit against the monies payable at the Closing equal to the reasonably estimated cost to cure the same (up to the Maximum Expense described below), but without any other credit or liability on the part of Seller. If Purchaser shall not so elect, Purchaser may terminate this contract and the sole liability of Seller shall be to refund the Downpayment to Purchaser and to reimburse Purchaser for the net cost of title examination, but not to exceed the net amount charged by Purchaser's title company therefor without issuance of a policy, and the net cost of updating the existing survey of the Premises. Upon such refund and reimbursement, this contract shall be null and void and the parties hereto shall be relieved of all further obligations and liability other than any arising under Section 14. Seller shall not be required to bring any action or proceeding or to incur any expense in excess of the Maximum Expense specified in Schedule D to cure any title defect or to enable Seller otherwise to comply with the provisions of this contract, but the foregoing shall not permit Seller to refuse to pay off at the Closing. [INSERT 39A]

ss.13.03. Any unpaid taxes, assessments, water charges and sewer rents, together with the interest and penalties thereon to a date not less than two days following the Closing Date, and any other liens and encumbrances which Seller is obligated to pay and discharge or which are against corporations, estates or other persons in the chain of title, together with the cost of recording or filing any instruments necessary to discharge such liens and encumbrances of record, may be paid out of the proceeds of the monies payable at the Closing if Seller delivers to Purchaser on the Closing Date official bills for such taxes, assessments, water charges, sewer rents, interest and penalties and instruments in recordable form sufficient to discharge any other liens and encumbrances of record. Upon request made a reasonable time before the Closing, Purchaser shall provide at the Closing separate checks for the foregoing payable to the order of the holder of any such lien, charge or encumbrance and otherwise comply with ss.2.02. If Purchaser's title insurance company is willing to insure [INSERT 40], such charges, liens and encumbrances, then, Seller shall have the right in lieu of payment and discharge to deposit with the title insurance company such funds or assurances or to pay such special or additional premiums as the title insurance company may require in order to so insure. In such case the charges, liens and encumbrances with respect to which the title insurance company has agreed so to insure shall not be considered objections to title.

ss.13.04. If Purchaser shall default in the performance of its obligation under this contract to purchase the Premises, the sole remedy of Seller shall be to retain the Downpayment as liquidated damages for all loss, damage and expense suffered by Seller, including without limitation the loss of its bargain. [INSERT 40A]

ss.13.05. Purchaser shall have a vendee's lien against the Premises for the amount of the Downpayment, but such lien shall not continue after default by Purchaser under this contract.

### Section 14. Broker

ss.14.01. If a broker is specified in Schedule D, Seller and Purchaser mutually represent and warrant that such broker is the only broker with whom they have dealt in connection with this contract and that neither Seller nor Purchaser knows of any other broker who has claimed or may have the right to claim a commission in connection with this transaction, unless otherwise indicated in Schedule D. The commission of such broker shall be paid pursuant to separate agreement by the party specified in Schedule D. If no broker is specified in Schedule D, the parties acknowledge that this contract was brought about by direct negotiation between Seller and Purchaser and that neither Seller nor Purchaser knows of any broker entitled to a commission in connection with this transaction. Unless otherwise provided in Schedule D, Seller and Purchaser shall indemnify and defend each other against any costs, claims or expenses, including attorneys' fees, arising out of the breach on their respective parts of any representations, warranties or agreements contained in this paragraph. The representations and obligations under this paragraph shall survive the Closing or, if the Closing does not occur, the termination of this contract.

#### Section 15. Notices

ss.15.01.

#### Section 16. Limitations on Survival of Representations, Warranties, Covenants and other Obligations

ss.16.01.

ss.16.02. The delivery of the deed by Seller, and the acceptance thereof by Purchaser, shall be deemed the full performance and discharge of every obligation on the part of Seller to be performed hereunder, except those obligations of Seller which are expressly stated in this contract to survive the Closing.

Section 17. Miscellaneous Provisions

ss.17.01. [INSERT 41] No assignment of Purchaser's rights under this contract shall be effective against Seller unless and until an executed counterpart of the instrument of assignment shall have been delivered to Seller and Seller shall have been furnished with the name and address of the assignee. The term "Purchaser" shall be deemed to include the assignee under any such effective assignment.

ss.17.02. This contract embodies and constitutes the entire understanding between the parties with respect to the transaction contemplated herein, and all prior agreements, understandings, representations and statements, oral or written, are merged into this contract. [INSERT 41A] Neither this contract nor any provision hereof may be waived, modified, amended, discharged or terminated except by an instrument signed by the party against whom the enforcement of such waiver, modification, amendment, discharge or termination is sought, and then only to the extent set forth in such instrument.

ss.17.03. This contract shall be governed by, and construed in accordance with, the law of the State of New York.

ss.17.04. The captions in this contract are inserted for convenience of reference only and in no way define, describe or limit the scope or intent of this contract or any of the provisions hereof.

ss.17.05. This contract shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs or successors and permitted assigns.

17.06. This contract shall not be binding or effective until properly executed and delivered by Seller and Purchaser.

ss.17.07. As used in this contract, the masculine shall include the feminine and neuter, the singular shall include the plural and the plural shall include the singular, as the context may require.

ss.17.08. If the provisions of any schedule or rider to this contract are inconsistent with the provisions of this contract, the provisions of such schedule or rider shall prevail. Set forth in Schedule D is a list of any and all schedules and riders which are attached hereto but which are not listed in the Table of Contents.

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

Seller: 30TH STREET ASSOCIATES

By: MURRAY HILL PROPERTIES,  
General Partner

by: MURRAY HILL PROPERTIES VII,  
General Partner

by: /s/ Norman Sturner  
-----  
Norman Sturner, General Partner

Purchaser: SL GREEN OPERATING PARTNERSHIP, L.P.

By: SL GREEN REALTY CORP.,  
General Partner

by: /s/ Steven H. Klein,  
-----  
Steven H. Klein,  
Executive Vice-President

Receipt by Escrowee

The undersigned Escrowee hereby acknowledges receipt of \$500,000.00, by check subject to collection, to be held in escrow pursuant to ss.2.05. [INSERT 41B]

MANDEL & RESNIK P.C.

By: /s/ [ILLEGIBLE]  
-----

Schedule A

DESCRIPTION OF PREMISES

(to be attached separately and to include tax map designation)

Schedule B

PERMITTED EXCEPTIONS

1. Zoning regulations and ordinances which are not violated by the existing structures or present use thereof and which do not render title uninsurable.

2. Consents by the Seller or any former owner of the Premises, for the erection of any structure or structures on, under or above any street or streets on which the Premises may abut.

3.

4. [INSERT 42] Leases and Tenancies specified in the [INSERT 43] and any new leases or tenancies not prohibited by this contract.

5. Unpaid installments of assessments not due and payable on or before the Closing Date.

6. Financing statements, chattel mortgages and liens on personalty filed more than 5 years prior to the Closing Date and new renewed, or filed against property or equipment no longer located on the Premises or owned by Tenants.

7. (a) Rights of utility companies to lay, maintain, install and repair pipes, lines, poles, conduits, cable boxes and related equipment on, over and under the Premises, provided that none of such rights imposes any monetary obligation on the owner of the Premises.

(b) Encroachments of stoops, area, cellar steps, trim cornices, lintels, window sills, awnings, canopies, ledges, fences, hedges, coping and retaining walls projecting from the Premises over any street or highway or over any adjoining property and encroachments of similar elements projecting from adjoining property over the Premises. [INSERT 44]

(c) Revocability or lack of right to maintain vaults, coal chutes, excavations or sub-surface equipment beyond the line of the Premises.

(d) Any state of facts that an accurate survey would disclose, provided that such facts do not render title unmarketable. [INSERT 45]

Schedule C

PURCHASE PRICE

The Purchase Price shall be paid as follows:

(a) By check subject to collection or by wire transfer, the receipt of which is hereby acknowledged by Seller:

\$ 500,000.00  
-----

(b) By check, checks or wire transfer delivered to Seller at Closing in accordance with the provisions of Section 2.02:

\$10,000,000.00  
-----

Purchase Price

-----  
\$10,500,000.00  
=====

Schedule D

MISCELLANEOUS

1. Title insurer designated by the parties (ss.1.02):
5. Seller's tax identification number (ss.2.05):
6. Purchaser's tax identification number (ss.2.05):
7. Scheduled time and date of Closing (ss.3.01): [INSERT 47]
8. Place of Closing (ss.3.01): [INSERT 48]
9. Assessed valuation of Premises (ss.4.10): [INSERT 48A]
10. Fiscal year and annual real estate taxes on Premises (ss.4.10):  
7/1/97-12/31/97 - \$140,594.97  
1/1/98-6/30/98 - \$140,868.32
11. Tax abatements or exemptions affecting Premises (ss.4.10):  
None
12. Assessments on Premises (ss.4.13): None
14. Maximum Expense of Seller to cure title defects, etc. (ss.13.02): [INSERT 49]
15. Broker, if any (ss.14.01):  
Talcott Management, Inc.
16. Party to pay broker's commission (ss.14.01): Seller
- 17.
- 18.
19. Additional Schedules or Riders (ss.17.08):  
See attached

Schedule E

RENT SCHEDULE

(to be attached separately)

INSERTS TO CONTRACT OF SALE  
BETWEEN 30TH STREET ASSOCIATES,  
AS SELLER, AND SL GREEN OPERATING  
PARTNERSHIP, L.P., AS PURCHASER

1. , together with all easements, rights of way, privileges, appurtenances and other rights, if any, pertaining to the Land or the Building (as hereinafter defined)
2. all of Seller's rights, title and interest in and to
- 2A. and
- 2B. The personal property to be conveyed by Purchaser to Seller hereunder is all personal property owned by Seller, currently existing at the Building and used in operation of the Building (the "Personal Property").
3. , or (b) by wire of immediately available federal funds, or (c)
4. (or as Seller may otherwise direct in writing to Purchaser at least two (2) business days prior to the Closing)
5. and all
6. shall be
7. Mandel & Resnik P.C.
8. shall
9. (or as Seller may otherwise direct in writing to Escrowee, with a copy to Purchaser, prior to the Closing)
10. The parties acknowledge that Escrowee may be instructed to release and disburse certain funds from the Downpayment in accordance with the provisions of Section 22(b) hereof. All of Escrowee's rights and protections set forth in this Section 2.05 shall apply to the provisions of said Section 22(b).
11. The insurance schedule attached hereto as Schedule "F"
12. The payroll schedule attached hereto as Schedule "G"
13. all of such employees are
- 13A. except as otherwise expressly set forth in this contract.
14. To the best of Seller's knowledge, no portion of the Premises is used for residential purposes.
15. The
- 15A. ss.5.03 Purchaser may, but shall not be obligated to, assume the obligations under any union agreements or other employment agreements for employees of Seller employed at the Premises, and further may, but shall not be obligated to, offer employment to and hire any or all employees covered by any such union agreements or other employment agreements. Upon Purchaser's written demand and simultaneous delivery of sufficient funds of Purchaser to do so, Seller shall cause to be paid any liquidated damages, penalty, additional compensation, accrued vacation and/or termination pay sought by a union pursuant to any union or other employment agreements, such amounts arising out of or as a consequence of Purchaser's failure to adopt and assume the union or employment agreements and/or to hire any or all of Seller's employees covered by such agreements. Purchaser shall and does hereby agree to indemnify, defend and hold Seller free and harmless from and against any and all liability, claims, actions, damages, judgments, penalties, costs and expenses,

including reasonable attorneys' fees and disbursements, (i) accruing under or with respect to such union or other employment agreements on and after the date of the Closing concerning those of Seller's employees hired by Purchaser and/or (ii) arising out of a claim that Purchaser has failed to adopt and assume any of Seller's union or other employment agreements and/or has failed to offer employment to or employ any or all of the employees covered by such agreements. The provisions of this Section shall survive the Closing.

16. Existing
17. (which is defined to mean any tenancy in the Premises not arising out of a lease or sublease)
18. [Intentionally Deleted]
19. [Intentionally Deleted]
20. or in any Lease.
21. Except as otherwise expressly provided in this contract,
22. Any
- 22A. , on, or after
23. For the sole purposes thereof, "material" shall be damage, destruction or condemnation, the estimated cost to repair or restore of which exceeds \$250,000.00, in the aggregate.
- 23A. Upon Purchaser's request, Seller shall terminate any existing Service Contract at or prior to the Closing provided that Purchaser pays all costs and penalties, if any, applicable to or resulting from the termination of any such Service Contract. Purchaser hereby agrees to indemnify and hold Seller harmless from and against any and all liability, claim, action, damage, judgment, penalty, cost and expense, including all reasonable attorneys' fees and disbursements, which may result from any such Service Contract termination(s). The provisions of this Section shall survive the Closing.
24. in the insurance schedule attached hereto as Schedule "F"
- 24A. Seller hereby represents that, with respect to the Premises, it is presently prosecuting real estate tax reduction proceedings for tax years 1992-93 through 1998-99, inclusive. Seller shall be entitled to receive and retain any and all tax refunds applicable to any tax year (or portion thereof) applicable to any period prior to the date of the Closing and Seller shall promptly deliver Purchaser's pro-rata portion of such refund, if any, to Purchaser pursuant to Section 9.05 hereof (and if such tax refunds are received by Purchaser after the Closing, Purchaser agrees that it promptly shall deliver Seller's pro-rata portion of such refund to Seller pursuant to Section 9.05 hereof). In the event Seller receives any real estate tax refund with respect to tax year 1998-99, the proceeds thereof (net of all reasonable attorney, accountant and other professional fees and disbursements incurred by Seller in connection with obtaining such refund) shall be prorated, if applicable, as of the date of the Closing, and Seller promptly shall deliver Purchaser's pro-rata portion thereof to Purchaser (and if such tax refund is received by Purchaser after the Closing, Purchaser agrees that it promptly shall deliver Seller's pro-rata portion thereof to Seller). The provisions of this Section 9.05 shall survive the Closing.
25. and an assignment of the Existing Leases in the form attached hereto as Exhibit "A".

26. and an assignment of said cash security deposits and all other security deposits being held by Seller, in the form attached hereto as Exhibit "A". To the extent that any of such security deposits are in the form of a letter of credit, at the Closing Seller shall deliver to Purchaser all instruments (duly executed and acknowledged) which are required to [6- transfer such letters of credit to Purchaser as the new beneficiary thereunder.
27. information set forth in Schedule "E" attached hereto
28. and all other defaults of which Seller is aware.
29. in the form attached hereto as Exhibit "B"
- 29A. contracts and
30. ("in Seller's possession," for the purposes of this Section 10.10, being deemed to include items in the possession of Seller's managing agent or any other person or entity controlled by Seller)
31. and all other exceptions (other than Permitted Exceptions).
- 31A. A certification of non-foreign status, in form required by the Code Withholding Section, signed under penalty of perjury. Seller acknowledges that such certification will be retained by Purchaser and will be made available to the Internal Revenue Service upon request.
32. in the form attached hereto as Exhibit "C",
33. All consents, approvals, authorizations, resolutions and certificates required by Seller's limited partnership agreement and the agreements, by-laws and other documents and instruments of Seller's constituent partners, in respect of the transactions contemplated in this contract. Seller advised its partners of the sale of the Premises contemplated by this contract and, based solely on the number of "affirmative" written responses received by Seller, has received the requisite number of consents from its limited partners in order to enter into this contract and to sell the Premises as herein provided; however, such limited partner responses do not correctly refer to "30th Street Associates" as the name of Seller, but refer to "30th Street Associates Limited Partnership". If requested by Purchaser's title company at the Closing, Seller and/or the general partner of Seller will provide an affidavit to such title company which provides (i) that the limited partner responses refer to Seller (although misnamed), (ii) that there are no other partnerships relating to the Premises, of which Seller is aware, having similar names to Seller, (iii) that the limited partnership agreement has not been amended, (iv) that Murray Hill Properties VII is the general partner of Seller and (v) provides a current list of limited partners of Seller. Copies of all written limited partner responses received by Seller have been delivered to Purchaser, together with a copy of Seller's limited partnership agreement.
34. (to the extent not paid by a wire transfer)
35. in the form attached hereto as Exhibit "A".
36. transferred
37. (or as Seller may otherwise direct in the case of payments due Seller)
- 37A. electricity or other utilities or services supplied to tenants
38. (or as Seller may otherwise direct in writing to Purchaser prior to the Closing)



39. To the extent Seller is paid any Additional Rent after the Closing for the period on or after the Closing, Seller shall promptly pay same to Purchaser. Such obligation of Seller shall survive the Closing.
- 39A. mortgage(s) currently of record against the Premises or such other mortgages, liens or judgments in specific liquidated amounts filed against the Premises after the date hereof, which shall have been created by the express actions of Seller (and not of any tenant) after the date hereof. Seller shall pay or discharge of record the following tax bill and/or lien filed against the Premises: open fire prevention charges under account identification numbers 41762, 41759 and 41727 which are due on March 28, 1998 in the aggregate sum of \$1,565.00. With respect to all other title objections raised by Purchaser, Seller shall not be obligated to spend more than \$50,000.00, in the aggregate, to cure any of such objections.
40. Purchaser's title free and clear of
- 40A. except for those indemnities, if any, which specifically survive the Closing.
41. At the Closing, Purchaser may assign this contract without Seller's consent to any affiliate of Purchaser controlled by Purchaser or to a third party, provided the assignee assumes in writing all of Purchaser's obligations under this contract. No such assignment shall release Purchaser from its obligations under this contract.
- 41A. , except as to the provisions of paragraphs 6 and 14 of that certain letter of intent, dated December 30, 1997 (the "Letter of Intent").
- 41B. Purchaser shall deliver to Escrowee the Downpayment in the amount of \$500,000.00 upon the execution of this contract. The Downpayment (together with any supplemental Downpayment which may be delivered to Escrowee in accordance with Insert #47 to Schedule "D", item no. 7) shall, subject to collection, be held in escrow by the Escrowee pursuant to Section 2.05 hereof.
42. Existing
43. Schedule "E" attached hereto
44. provided none of the foregoing render title to the Premises uninsurable.
45. (e) the state of facts shown on the survey of the Premises prepared by Earl B. Lovell, dated May 26, 1919 and last re-dated on November 7, 1989 by Harwood-Goldberg P.C. and any additional facts an accurate survey, or an update thereof of the Premises may show, provided that such facts do not render title to the Premises uninsurable or unmarketable;
- (f) the Existing Leases;
- (g) All covenants, contracts, liens, restrictions, easements, encumbrances, reservations, consents, departmental reports and agreements and all other matters affecting the Premises of record as of the date hereof, provided that the same do not prevent the use of the Premises for office and retail purposes and do not prohibit the maintenance of the structure currently at the Premises (or that the title insurance company insuring Purchaser's title will insure that such existing structure may remain in its present location so long as same may stand);
- (h) Notes or notices of violations of law or municipal ordinances, orders or requirements noted in or issued by any governmental department having or asserting authority or jurisdiction as to lands, housing, buildings, fire, health,

labor or any other condition or matter at or affecting the Premises, whether or not of record, and any conditions which may give rise to a violation;

(i) Party walls and party wall agreements, if any;

(j) Variations among the record lines of the Premises and fences, driveways and shrubbery and/or between the legal description of the Premises herein and the tax map description;

(k) Printed exceptions and exclusions to title and all other stipulations, provisions, requirements, terms and conditions set forth in the title report to be issued by Purchaser's title insurance company or otherwise contained in any form of policy approved by the New York State Department of Insurance; and

(l) Any other lien, encumbrance, condition or matter of any nature whatsoever as to which Purchaser's title insurance company will insure against collection out of or enforcement against the Premises subject to the provisions of Insert #39A to Section 13.02 hereof and of Section 21(w) hereof.

46. , or by wiring immediately available federal funds,

47. on a date selected by Purchaser upon not less than five (5) business days' notice to Seller, such date to be not earlier than May 1, 1998 nor later than June 30, 1998; provided, however, that Purchaser may extend the date of the Closing to a date not later than July 31, 1998 if Purchaser, prior to June 22, 1998, notifies Seller of such election and, together with such written notice, deposits an additional Two Hundred Ten Thousand (\$210,000) Dollars, as a supplemental Downpayment, with Escrowee, to be held by Escrowee in accordance with the provisions of Section 2.05 hereof.

48. At Escrowee's office or, if Purchaser or an affiliate thereof is a real estate investment trust, at such other office as may be designated by Purchaser's underwriter or other source of Purchaser's financing.

48A. Land: \$1,575,000; Building: \$1,458,000.

49. \$50,000.00, except as otherwise provided in Insert #39A to Section 13.02 hereof.

RIDER ANNEXED TO CONTRACT OF SALE  
BETWEEN 30TH STREET ASSOCIATES,  
AS SELLER, AND SL GREEN OPERATING  
PARTNERSHIP, L.P., AS PURCHASER

18. Conflict.

In the event of any conflict or inconsistency between the printed provisions of this contract (the "Contract") and the provisions contained in this Rider, the provisions of this Rider shall govern.

19. Other Properties; Conditions of Closing.

(a) Purchaser is also negotiating to purchase the property located at 440 Ninth Avenue, New York, New York (the "Ninth Avenue Property") from Ninth Avenue Associates ("Ninth Associates") and the property located at 116 Nassau Street, Brooklyn, New York (the "Nassau Street Property") from Nassau Street Partners ("Nassau Partners"). The Premises herein, together with the Ninth Avenue Property and the Nassau Street Property, are hereinafter collectively referred to as the "Properties" and Seller, together with Ninth Associates and Nassau Partners, are hereinafter collectively referred to as the "Sellers". Purchaser's obligation to enter into a contract in respect of any one of the Properties shall be conditioned upon the Sellers tendering a contract for each of the other Properties. The Sellers' obligation to enter into a contract in respect of any one of the Properties shall be conditioned upon Purchaser's execution of contracts for all of the Properties. In no event shall either party be bound to this Contract for the Premises until contracts for the other two Properties have been executed and delivered by the other party.

(b) As a condition precedent to the closing of title under this Contract, this Contract must close simultaneously with the closings of title between (i) Purchaser and Ninth Associates with respect to the Ninth Avenue Property and (ii) Purchaser and Nassau Partners with respect to the Nassau Street Property. Purchaser acknowledges that if Ninth Associates is unable to sell the Ninth Avenue Property or Nassau Partners is unable to sell the Nassau Street Property (for reasons other than a wilful default by such selling partnership) or if Purchaser chooses not to purchase any of the Properties, Seller shall not be obligated to sell the Premises to Purchaser pursuant to this Contract or otherwise. Purchaser further acknowledges that a default or breach by Purchaser of any of its obligations or undertakings as set forth in this Contract or in either of the contracts relating to the Ninth Avenue Property or the Nassau Street Property shall be deemed a default or breach of its obligations and undertakings as set forth in all three of said contracts.

20. Purchase Price and Payment.

(a) The purchase price (the "Purchase Price") for the Premises shall be TEN MILLION FIVE HUNDRED THOUSAND and No/100 DOLLARS (\$10,500,000.00). It is expressly acknowledged and agreed that the payment of the Purchase Price and the Closing hereunder is not contingent or conditioned upon Purchaser obtaining financing from any source.

(b) The Purchase Price shall be paid by Purchaser to Seller as follows:

- (i) FIVE HUNDRED THOUSAND and No/100 DOLLARS (\$500,000.00) (the "Downpayment") upon the execution and delivery of this Contract, by check drawn on or by a bank which is a member of the New

York Clearinghouse Association, subject to collection, payable on its face to the order of Escrowee (as defined herein), or by wire transfer at Purchaser's option in accordance with Escrowee's wiring instructions, to be held in escrow pursuant to Section 2.05 hereof. The Downpayment shall be non-refundable to Purchaser unless the sale of the Premises pursuant to this Contract does not close for any reason other than Purchaser's default; and

- (ii) TEN MILLION and No/100 DOLLARS (\$10,000,000.00) at the Closing, plus or minus adjustments or credits as hereinafter provided.

21. Additional Representations and Warranties of Seller.

- (a) Seller represents and warrants to Purchaser as follows:

Schedule "E" attached hereto accurately sets forth (a) all agreements in force on the date hereof for the use, lease or occupancy of space in or at the Building (whether or not the terms hereof have commenced) to which Seller, its affiliates or designees are a party or are bound as landlord or to which any part of the Building is subject, (b) all subleases in force on the date hereof for the use, lease or occupancy of space in or at the Building (whether or not the terms thereof have commenced) to which any tenant under an Existing Lease is a party or is bound as sublandlord, and (c) all other tenancies or subtenancies in the Premises not arising out of the agreements or the subleases referred to in clauses (a) and (b) above, affecting the Premises on the date hereof (the agreements and subleases referred to in said clauses (a) and (b), together with all amendments and modifications thereof, and all of the tenancies and subtenancies referred to in clause (c) above are collectively referred to as the "Existing Leases," and all tenants, subtenants or other occupants of space pursuant to an Existing Lease are hereinafter collectively referred to as "Existing Tenant(s)". Seller is not a party to any sublease for the use, lease or occupancy of space in or at the Building (whether or not the term thereof has commenced). The data set forth on said Schedule "E" with respect to each Existing Lease includes an accurate statement of the name of each Existing Tenant, the space demised, the lease, sublease or tenancy expiration date, the security deposits and the base annual rent and additional rent currently payable. To the best of Seller's knowledge, no person or entity has or claims any right to possess the Premises or any part thereof except for the Existing Tenants shown in said Schedule "E". True and complete copies of all the Existing Leases and all guaranties and other documents, agreements and instruments relating thereto have been delivered to Purchaser but, for purposes of this Contract, Purchaser may rely on the data set forth in said Schedule "E". Except as otherwise set forth in said Schedule "E" or in the Existing Leases, to be best of Seller's knowledge:

- (i) each of the Existing Leases is in effect and has not expired or been terminated; Seller has neither given nor received any notice of default with respect to any Existing Lease that remains uncured; to the best knowledge of Seller, neither Seller, nor any of the other parties thereto are in default of any of their obligations under any of the Existing Leases; and none of the Existing Leases has been modified, amended or extended;
- (ii) to the best of Seller's knowledge, all Existing Tenants are in possession of the spaces leased by them;
- (iii) the rents and any Additional Rents reserved under each of the Existing Leases and shown in said

Schedule "E" are legal rents and no claim to the contrary has been asserted by any Existing Tenant, and the rents and Additional Rents shown on said Schedule "E" are actually being paid by the Existing Tenants, and there are no arrearages in excess of one (1) month of any base, minimum or fixed rent (as opposed to any Additional Rent);

- (iv) no Existing Tenant has paid rent for more than one (1) month in advance;
- (v) no Existing Tenant has claims or is entitled to free rent, rent concessions, rebates or rent abatements;
- (vi) no Existing Tenant claims or is entitled to any set-offs or offsets against rent;
- (vii) no Existing Tenant occupies any space rent free;
- (viii) no space has been rented furnished;
- (ix) all work previously required to be performed by the landlord under the Existing Leases or otherwise has been completed and fully paid for;
- (x) no Existing Tenant is contesting its pro-rata share of taxes, operating expenses or maintenance increases shown in said Schedule "E" or their obligations to pay cost-of-living increases or any other Additional Rent as required by its Existing Lease;
- (xi) except pursuant to an assignment of leases and rents granted by Seller to its fee mortgagee, Seller has assigned none of its rights under the Existing Leases;
- (xii) no Existing Tenant has an option to renew its lease not provided in its Existing Lease and no other party has any option, right of first refusal or other preferential right to purchase the Premises or any part thereof;
- (xiii) no action or proceeding instituted against Seller by any Existing Tenant, or by any Existing Tenant against Seller, is presently pending in any court or other judicial or administrative venue, nor has Seller received any written notices or demands with respect thereto;
- (xiv) no representation or covenant has been made by Seller to any Existing Tenant except as incorporated in its Existing Lease and all representations made by Seller in the Existing Leases and in all other documents, agreements and instruments relating thereto are true and correct in all material respects;
- (xv) no Existing Lease allows the space demised thereunder to be leased or otherwise used for any purpose which is prohibited by a restrictive covenant contained in any other Existing Lease;
- (xvi) any consents or notices required to be obtained or given under the terms of any Existing Lease in connection with this transaction have been obtained or given, as the case may be;
- (xvii) there are no security deposits other than those set forth in said Schedule "E"; and

[6-

(xviii) there are no outstanding obligations of Seller with respect to any space previously leased or otherwise occupied by an Existing Tenant at a location other than at the Building.

(b) Annexed hereto as Schedule "H" and made a part hereof is a list of all service, maintenance and supply contracts (collectively, "Service Contracts") relating to the Premises and all deposits of Seller held by utility companies and other persons and entities who supply goods or services in connection with the operation of the Property, and the information set forth therein is accurate as of the date hereof. If Seller has delivered a notice of termination to the vendor under any Service Contract pursuant to Section 9.02 hereof, Seller, at the Closing, shall deliver a copy of such notice to Purchaser.

(c) With respect to any contracts referred to in Schedule "G" (payroll schedule) or Schedule "H", if there are any pending negotiations with any union or Service Contract holder which may involve retroactive increases in pay or rates, Seller agrees to reimburse Purchaser for the amount thereof with respect to any period through the date of the Closing, even though the increases may be effected after the date of the Closing.

(d) To the best knowledge of Seller: (i) the use being made of the Premises at present is in conformity with the certificate of occupancy issued for the Premises; (ii) all required certificates and permits of such type, including, without limitation, underwriters certificates relating to electrical work, and all other building, housing, safety, fire and health certificates, approvals and permits have been issued, are in full force and effect and (except as otherwise indicated thereon) are transferable with the Premises or to Purchaser without payment; (iii) the Premises and the present use and condition thereof do not violate any deed restrictions, zoning or subdivision regulations, or urban redevelopment plans applicable to the Premises, as modified by any duly issued variances; and (iv) no action or proceeding relating to the foregoing is pending or threatened with respect to the Premises.

(e) To the extent that an assessment that is payable in installments becomes a lien on the Premises on or before the Closing, the assessment shall be adjusted based upon the period covered thereby or, if no period is specified, upon the due date thereof.

(f) All brokerage commissions payable by reason of the Existing Leases and/or renewals, elections not to terminate, extensions of Existing Leases or options to lease additional space or otherwise with respect to leasing transactions have been fully paid or will be paid when due by Seller, except only that (i) any brokerage commissions payable by reason of New Leases (as defined in Article 22 hereof) permitted pursuant to Article 22 hereof, which are made or entered into on or after the date of this Contract, shall be apportioned between the parties based upon the rent collectible by each party and shall be payable by Purchaser and (ii) Seller and Purchaser shall apportion any brokerage commissions payable by reason of renewals or extensions of Existing Leases or options to lease additional space exercised after the Closing pursuant to the applicable Existing Lease provisions based upon the period commencing on the rent commencement date of any such renewal or extension and ending on the expiration date of any such renewal or extension. From and after the date hereof until the Closing, Purchaser shall be the sole leasing broker for the Premises (except as otherwise provided in Sections 22(b) and 22(d) hereof) and shall have the right to charge leasing commissions at standard industry rates.

(g) To the best of Seller's knowledge, all construction reimbursements, tenant improvement allowances and similar payments to be made by the landlord under the Existing Leases have been paid in full or will be paid in full prior to the Closing.

(h) To the best of Seller's knowledge, the description of the Personal Property is accurate as of the date hereof and will be accurate as of the date of the Closing, subject to disposal and/or replacement of such property in the ordinary course of business.

(i) There is no litigation pending or, to the best knowledge of Seller, threatened against Seller, the Premises or the transactions contemplated by this Contract. To the best of Seller's knowledge, there is no proceeding (zoning or otherwise) or governmental investigation pending or threatened against or relating to Seller, the Premises or the transactions contemplated by this Contract, nor, to the best knowledge of Seller, is there any basis for such action.

(j) Seller has not received written notice of any default or breach by Seller under any of the covenants, conditions, restrictions, rights of way or easements affecting the Premises or any portion thereof; to the best knowledge of Seller, no such default or breach now exists; and, to the best knowledge of Seller, no event has occurred and is continuing which with notice and/or the passage of time would constitute a default thereunder.

(k) No work has been performed or is in progress at, and no materials have been furnished to, the Premises or any portion thereof for which Seller is responsible and which, though not at present the subject of, might give rise to, mechanic's, materialmen's or other liens against the Premises or any portion thereof.

(l) To the best knowledge of Seller, there are no outstanding requirements or recommendations by any insurance company that issued a policy with respect to the Premises or any part thereof, or by any Board of Fire Underwriters or other body exercising similar functions, requiring or recommending any repairs or work to be done on or to the Premises.

(m) This Contract has been duly and validly authorized, executed and delivered by Seller and Seller has full power and authority to consummate the transactions contemplated hereby, and the Closing will not constitute a breach or violation of any contract or instrument to which Seller is a party, or by which it or any of its assets are subject or bound, or any judgment, order, writ, injunction or decree issued against or imposed upon it, or will result in a violation of any applicable law, order, rule or regulation of any governmental authority.

(n) No person or entity has an option, right of first refusal or other preferential right to purchase the Premises or any part thereof.

(o) No Existing Tenant has executed or delivered to Seller any promissory notes or other instruments pursuant to which an Existing Tenant is indebted to its landlord, and Seller does not own and is not holding any such notes or other instruments.

(p) True and complete copies of all Service Contracts and any and all other instruments, documents and agreements recited in this Contract (other than documents to be executed and delivered at the Closing), and all amendments to all of the foregoing, have been delivered to Purchaser.

(q) Seller (i) is a New York limited partnership validly existing in the State of New York, (ii) owns the fee interest in the Premises and (iii) has good and marketable title to the Personal Property.

(r) To the best of Seller's knowledge, no fact or condition exists which would result in the termination or impairment of access to the Premises or the discontinuation of necessary sewer, water, electric, gas, telephone or other utilities or services to the Premises.

(s) To the best of Seller's knowledge, Seller has filed with all of the applicable governmental authorities having jurisdiction over the Premises, all statements, affidavits, documents and other instruments with respect to the Premises and the operation and use thereof that are required to be filed by applicable laws, rules, regulations, and ordinances.

(t) No air rights or development rights appurtenant to the Premises have been conveyed, transferred, granted or licensed to any third party.

(u) To the best of Seller's knowledge, neither Seller, nor to Seller's knowledge, any other person has ever caused or permitted any Hazardous Substance (hereinafter defined) to be placed, located, spilled or otherwise disposed of on under or at the Premises or any part thereof in violation of any Environmental Laws (hereinafter defined), excluding materials used in the maintenance and operation of the Premises, such as cleaning materials. There is not now pending, nor has Seller received any notice of any threatened, investigation, action or proceeding against Seller or the Premises seeking to enforce any right or remedy under any Environmental Laws. "Hazardous Substance" shall mean any material or substance governed or regulated or defined under any local, state or Federal law, rule ordinance, code, regulation, order or decree regulating, relating to or imposing liability or standards of conduct with regard to hazardous, toxic or dangerous waste, substances or materials or regulating or governing air or water quality, the environment or environmental, health safety or hygiene ("Environmental Laws").

(v) All of the representations, warranties and agreements set forth in Article 4 hereof and elsewhere in this Contract, all Exhibits and Schedules annexed hereto, or in any letter or certificate furnished to Purchaser pursuant hereto, each of which is incorporated herein by reference and made a part hereof, shall be true upon the execution of this Contract and shall be deemed repeated on and as of the date of the Closing. No such representation or warranty shall omit to state a material fact necessary to make the statements contained therein not misleading. From time to time between the date of this Contract and the Closing, to the extent that any of Seller's representations or warranties set forth in this Contract changes or becomes inaccurate, Seller shall so notify Purchaser.

(w) Without limiting any of the rights of Purchaser elsewhere provided for in this Contract, it is agreed that the obligation of Purchaser to close under this Contract is conditioned upon, and shall be subject to, the accuracy, truthfulness and completeness of all of Seller's representations and warranties in all material respects, and the due compliance by Seller of all of its agreements set forth in Article 4 hereof and elsewhere in this Contract. If, at the Closing, any of Seller's representations or warranties are determined to be inaccurate, untrue or incomplete in any material respect, then Purchaser may elect to terminate this Contract by notice given to Seller in addition to any other remedy specifically provided herein. If this Contract is so terminated, Seller shall promptly cause the Downpayment to be refunded to Purchaser, with all interest earned thereon, and



Seller shall promptly pay the cost of any survey obtained. Upon such refund and payment, this Contract shall terminate and neither party to this Contract shall have any further rights or obligations hereunder other than any arising under Article 14 hereof. Notwithstanding anything to the contrary contained in the preceding sentence, if on the date scheduled for Closing any of Seller's representations or warranties are determined to be inaccurate, untrue or incomplete in any material respect, Seller shall have the same sixty (60) days (as opposed to an additional sixty (60) days, as provided in Section 13.01 hereof), to adjourn the Closing to correct the underlying facts of the representations or warranties in question. For the purposes of this Section, if, at the Closing, any of Seller's representations or warranties are inaccurate, untrue or incomplete in any respect, and the resulting cost, expense and/or damages that Purchaser may incur, pay or be liable for as a result of such inaccuracy, untruthfulness or incompleteness is reasonably determinable and quantifiable at the Closing and is, at the Closing determined to be, and quantified at, \$25,000.00 or less in the aggregate, then such inaccuracy, untruthfulness or incompleteness shall be deemed not material. If such quantified amount in the aggregate is greater than \$25,000.00 but less than \$50,000.00, and any such inaccurate, untrue or incomplete representation or warranty of Seller can be made accurate, true or complete with the payment of money on or prior to the Closing, Seller shall be obligated to spend such amount in order to correct or complete such representation and/or warranty on or prior to the Closing. Any amount incurred by Seller in connection with the foregoing curative action shall be deducted from and reduce the \$50,000.00 Maximum Expense of Seller set forth in Schedule "D", item no. 14. Under no circumstances shall Seller be obligated to spend more than \$50,000.00, in the aggregate, to cure any matter(s) set forth in this Contract and/or relating to the Premises (except as otherwise specifically provided in Insert #39A to Section 13.02 hereof and in Section 22(c) hereof), whether before, on or after the date of the Closing.

In connection with the foregoing, at the Closing, Seller shall deposit (from the proceeds of the Purchase Price) the sum of \$50,000.00 less any amount incurred by Seller in reduction of the \$50,000.00 Maximum Expense set forth in Schedule "D", item no. 14 (the "Rep/Warranty Reserve"), in escrow with Greenberg Traurig Hoffman Lipoff Rosen & Quentel, P.C. ("GTHLR&Q") in order to secure Seller's obligations to cure or correct, on or after the Closing, any inaccurate, untrue or incomplete material representation or warranty of Seller (which is specifically provided in Article 26 hereof to survive the Closing and for the specific survival period therein provided), as expressly set forth above in this Section 21(w). The Rep/Warranty Reserve shall be held in one or more interest-bearing escrow accounts of GTHLR&Q for a period commencing on the date of the Closing and expiring on the earlier to occur of (i) six (6) months after the date of the Closing or (ii) December 15, 1998 ("Reserve Period I"). Proceeds from the Rep/Warranty Reserve shall be released by GTHLR&Q and used by Seller, following Seller's and Purchaser's written direction to GTHLR&Q, for the foregoing purposes. At the expiration of Reserve Period I, GTHLR&Q shall notify Seller and Purchaser in writing of GTHLR&Q's intention to release the unapplied balance of the Rep/Warranty Reserve to Seller; if Purchaser does not object to such release in writing to GTHLR&Q within five (5) business days after receipt of such notice from GTHLR&Q, GTHLR&Q shall release the proceeds of such Rep/Warranty Reserve (or that portion thereof not contested by Purchaser) to Seller. All interest earned on the Rep/Warranty Reserve shall be paid to Seller.

Notwithstanding any provision in this Contract to the contrary, (i) the foregoing provisions of this Section 21(w) shall not affect or extend any of the survival periods, if

any, set forth in Article 26 hereof (and shall not create any survival period not set forth in said Article 26) and (ii) the Rep/Warranty Reserve shall not be used to cure, satisfy or address any matter relating to "Rent Claims" or other matters covered by the "Rent Reserve" in accordance with Section 22(c) hereof unless, and to the extent that, a Rent Claim relates specifically to an Article 21 representation or warranty which relates specifically to the substance of such Rent Claim. The provisions of this Section 21(w) shall survive the Closing.

GTHLR&Q shall be afforded the same protections of Escrowee provided in Section 2.05 hereof with respect to the Rep/Warranty Reserve.

22. Seller's Obligations Under Leases

(a) Attached hereto as Schedule "M" are the leasing criteria for new leases (the "Leasing Criteria"), acceptable to Seller and Purchaser. All such leases entered into between the date of this Contract and the Closing by Seller, as landlord, are herein referred to as the "New Leases", except that Seller's right to enter into New Leases is subject to Section 22(b) hereof. Within two (2) business days after Seller enters into a New Lease, or immediately prior to the Closing (if the New Lease is entered into within two (2) business days prior to the Closing), Seller shall deliver to Purchaser an updated Schedule "E" setting forth, with respect to each New Lease, all of the information provided for in said Schedule "E". For the purposes of the representations, warranties, covenants and conditions set forth in this Contract, immediately upon Seller's entering into a New Lease, such New Lease shall be deemed an Existing Lease, except that all of the representations and warranties that are made as of the date of this Contract shall be deemed to have been made as of the date of the New Lease. (For the purposes of this Contract, the Existing Leases and all New Leases, if any, are herein referred to, collectively, as the "Leases.") In addition, from time to time between the date of this Contract and the Closing, to the extent that any of the information set forth in the said Schedule "E" changes with respect to an Existing Lease or a New Lease, or if any of the representations or warranties set forth in this Contract with respect to a Lease changes or becomes inaccurate, Seller shall so notify Purchaser.

(b) If Purchaser wishes to enter into a New Lease prior to the Closing, it has the authority to enter into such lease as authorized leasing agent of Seller provided the Leasing Criteria is satisfied in all material respects with respect to such New Lease. Notwithstanding anything to the contrary set forth in this Contract, if Seller wishes to enter into a New Lease prior to the Closing, Seller shall notify Purchaser of same in writing. Within three (3) business days after receipt of Seller's written notice of such proposed New Lease (which notice shall set forth the name and address of the proposed Tenant, the terms of such New Lease and the New Lease Expenses (as hereinafter defined)), Purchaser shall advise Seller in writing whether it consents to such New Lease. Purchaser shall have the right to reject such New Lease if the Leasing Criteria is not satisfied in Purchaser's reasonable judgment. If Purchaser rejects a New Lease pursuant to which the Leasing Criteria has been satisfied in Seller's reasonable judgment, then, at the Closing, Purchaser shall pay to Seller all rental and other income which Seller would have been entitled to receive pursuant to such New Lease (from the rent commencement date of the New Lease until the date of the Closing) as if such New Lease had been executed and delivered by Seller and the proposed Tenant.

Notwithstanding anything to the contrary set forth in this Contract, from and after the date hereof, Purchaser shall be

solely responsible for, and shall be the exclusive leasing agent with respect to, any New Leases (other than New Leases with those existing or potential tenants identified in subsection (d) of this Section 22 with whom such leases are under discussion or negotiation by Seller's agents and representatives) and may, without the consent of Seller, enter into any New Leases and brokerage commission agreements (which shall expressly provide that such brokers shall look only to the landlord with respect to payment of such commissions) provided the Leasing Criteria is met in all material respects.

A New Lease, where applicable, may require the landlord to pay outside real estate brokerage commissions and the cost of tenant improvements ("New Lease Expenses"). All New Lease Expenses shall be funded from the three (3) Downpayments, to the extent available, delivered on this date (and as may be supplemented at a future date in accordance with Insert #47 to Schedule "D", item no. 7) to Mandel & Resnik P.C. ("Escrowee") in connection with this Contract, the contract with respect to the Ninth Avenue Property and the contract with respect to the Nassau Street Property (collectively, the "Combined Downpayment"). As funds are required to be paid for New Lease Expenses prior to the Closing, such funds shall be disbursed from the Combined Downpayment pursuant to specific written instructions signed and delivered from both Purchaser and Seller to Escrowee, and such parties hereby authorize Escrowee to release and disburse any portion of the Combined Downpayment in accordance with such instructions.

At the Closing, all New Lease Expenses shall be assumed by Purchaser and any amount disbursed from the Combined Downpayment in connection therewith shall be added to the balance of the Purchase Price payable by Purchaser at the Closing. If the Closing does not occur due to a default by Purchaser, Purchaser shall pay to Seller (not later than ten (10) days after the scheduled date of the Closing) the amount of any New Lease Expenses disbursed from the Combined Downpayment, and such amount shall be deemed to be part of the liquidated damages due to Seller pursuant to Article 2 hereof. If the Closing does not occur due to any reason other than Purchaser's default hereunder, Seller shall deliver to Escrowee (not later than ten (10) days after the scheduled date of the Closing) a sum equal to the amount disbursed from the Combined Downpayment on account of New Lease Expenses. It is the intention of Purchaser and Seller that, on the date of the Closing, the entire Combined Downpayment shall equal (exclusive of interest earned) the aggregate amount originally delivered (and any amounts subsequently delivered in accordance with Insert #47 to Schedule "D", item no. 7) by Purchaser to Escrowee in connection with this Contract and the contracts relating to the Ninth Avenue Property and the Nassau Street Property.

(c) Notwithstanding anything to the contrary set forth in this Contract, Seller shall be responsible for any and all quantifiable overcharges or other quantifiable unperformed or improperly performed obligations of Seller, as landlord, with respect to rent, rent rebates, additional rent, rent adjustments, rent concessions, offsets or setoffs, escalations, services, utilities or other improper charges or unperformed or improperly performed obligations to tenants at the Premises claimed or asserted by such tenants if such claims or assertions (i) after investigation by Purchaser and Seller, are verified (and any amounts payable are quantified, and such amounts are determined to be payable in accordance with the applicable leases) by both Purchaser and Seller, in writing, in their reasonable judgment, (ii) are made by such tenants prior to December 15, 1998 and (iii) relate to any period prior to the date of the Closing (collectively, "Rent Claims"). In connection therewith, Seller shall deposit the sum of \$25,000.00 (the "Rent Reserve") with GTHLR&Q at the Closing to secure Seller's obligations to pay and be

responsible for approved Rent Claims which shall have resulted or will result in any rent rebates, rent adjustments, rent concessions, offsets or setoffs by landlord in favor of tenants at the Premises after the date of the Closing. The Rent Reserve shall be held in one or more interest-bearing escrow accounts of GTHLR&Q for the period coterminous with Reserve Period I ("Reserve Period II"), to be used or needed to pay Purchaser or any tenants for such approved Rent Claims. At the expiration of Reserve Period II, GTHLR&Q shall notify Seller and Purchaser in writing of GTHLR&Q's intention to release the unapplied balance of the Rep/Warranty Reserve to Seller; if Purchaser does not object to such release in writing to GTHLR&Q within five (5) business days after receipt of such notice from GTHLR&Q, GTHLR&Q shall release the proceeds of such Rent Reserve (or that portion thereof not contested by Purchaser) to Seller. All interest earned on the Rent Reserve shall be paid to Seller.

GTHLR&Q shall be afforded the same protections of Escrowee provided in Section 2.05 hereof with respect to the Rent Reserve.

(d) There are pending leasing matters at the Premises between Seller's agents and representatives and the following existing or potential tenants: (i) Color by Pergament, Inc.; (ii) EWC, Inc.; (iii) Environmental Construction Outfitters; (iv) Christopher J. Wojtkiewicz; and (v) Paul Novack.

(e) The provisions of this Article 22 shall survive the Closing.

23. Additional Covenants of Seller.

(a) Seller shall provide or cause to be provided all such services with respect to the Premises and the tenants that are now required to be provided or currently are being provided.

(b) Seller shall maintain and keep the Premises, including mechanical equipment of every kind used in the operation thereof, in a condition at least as good as its present condition so that the same shall be in a condition at least as good as its present condition on the date of the Closing, reasonable wear and tear excepted, and Seller shall not enter into any contracts, agreements or arrangement, including Service Contracts, or extend or modify any existing contracts, agreements or arrangements, including Service Contracts, which may affect the Premises in any manner whatsoever (other than with respect to New Leases as herein provided), without Purchaser's prior consent.

(c) No Personal Property included in this sale shall be removed from the Premises unless the same are replaced with similar items of at least equal quality prior to the Closing.

(d) If the landlord under any Lease or Tenancy has an obligation, whether accrued or contingent, to reimburse the tenant under such Lease or Tenancy, whether by way of payment or rent credit, for any expenses incurred by such tenant, Seller shall pay to Purchaser an amount equal to such payment or credit for reimbursable expenses at the Closing, provided such expenses were or are to be incurred by such tenant prior to or after the date of the Closing. Prior to the Closing, Seller shall perform and comply with all obligations and provisions to be performed and complied with by the tenant under any take-over leases entered into in connection with the leasing of the Premises, and Seller shall indemnify Purchaser against and hold Purchaser harmless from all losses, damages, liabilities and expenses (including, without limitation, reasonable attorneys' fees and disbursements) suffered or incurred by Purchaser as a result of Seller's failure to perform and comply with such obligations and provisions.

(e) Prior to the Closing, Seller shall make all books and records (including tenant files) relating to the ownership and operation of the Premises available to Purchaser and its accountants, attorneys and other representatives, and, upon reasonable prior notice at reasonable times, shall permit Purchaser's accountants, attorneys and other representatives to examine, audit and make copies of the same, at Purchaser's sole cost and expense. Prior to the Closing, Seller shall cooperate with Purchaser's accountants, attorneys and other representatives, shall allow such persons to make extracts from the aforesaid books and records and shall respond fully and candidly to inquiries made by such accountants, attorneys and other representatives.

(f) After the date hereof, Seller shall request that, at the Closing, the holder of Seller's mortgage note and mortgage, upon receipt of full pay-off proceeds, assign such documents to Purchaser's designee. Seller agrees to reasonably cooperate with Purchaser and such lender in connection with the foregoing.

24. Failure of Seller to Perform

Except for a willful default by Seller, if Seller is unable for any reason to satisfy the conditions to Closing set forth herein, the sole remedy of Purchaser hereunder shall be the return of the Downpayment and the payment by Seller to Purchaser of the "net cost of title examination" and the cost of updating the survey for the Premises, Purchaser hereby waiving any right or claim for damages or specific performance and the right to file a lis pendens against the Premises. If Purchaser believes that any of the Sellers has willfully defaulted under any of the three contracts described in Article 19 hereof and if Purchaser elects to commence an action against such selling partnership for specific performance with respect to the particular contract executed by such selling partnership, Purchaser must commence such action, and diligently prosecute the same, against all three of the Sellers with respect to all three of the Properties in one consolidated proceeding. If Purchaser discontinues such action at any time, Purchaser must release all three of the Sellers and their respective Properties, with prejudice, therefrom.

25. Notices

Except as otherwise expressly permitted in this Contract, all notices, demands, approvals, consents, requests and other communications which under the terms of this Contract, or under any statute, must or may be given or made by the parties hereto, must be in writing, and must be made either (i) by depositing such notice in the registered or certified mail of the United States of America, return receipt requested, or (ii) by delivering such notice by a commercial courier, which courier provides for delivery with receipt guaranteed, or (iii) by hand delivery, addressed to each party as follows:

If to Purchaser: at the address set forth on the first page of this Contract, Attention: Benjamin P. Feldman, Esq.

With a copy to: Greenberg Traurig Hoffman Lipoff  
Rosen & Quentel, P.C.  
Attention: Paul R. Alter, Esq.  
200 Park Avenue  
New York, New York 10166

If to Seller: at the address set forth on the first page of this Contract, Attention: Mr. Michael Green

With a copy to: Mandel & Resnik P.C.  
Attention: Barry H. Mandel, Esq.  
220 East 42nd Street - 20th Floor  
New York, New York 10017

If to Escrowee: Mandel & Resnik P.C.  
Attention: Barry H. Mandel, Esq.  
220 East 42nd Street - 20th Floor  
New York, New York 10017

All notices, demands, approvals, consents, requests and other communications shall be deemed to have been delivered (i) if mailed as provided for in this Article, on the date which is three (3) business days after mailing or (ii) if sent by commercial courier, on the date which is one (1) business day after dispatching, or (iii) if sent by hand delivery, on the date of such delivery or refusal to accept same. Either party may designate by notice in writing given in the manner herein specified a new or other address to which such notice, demand, approval, consent, request or other communication shall thereafter be so given or made. A notice given by counsel for Seller or Purchaser shall be deemed a valid notice if addressed and sent in accordance with the provisions of this Article.

26. Survival.

Except as otherwise provided in this Contract, no representations, warranties, covenants or other obligations of Seller set forth in this Contract shall survive the Closing, and no action based thereon shall be commenced after the Closing. The representations, warranties, covenants and other obligations of Seller set forth in Sections 6.01, 6.02, 21(a) and 21(k) hereof shall survive the Closing for ninety (90) days, and no action based thereon shall be commenced after the last day of such ninety (90) day period. Notwithstanding anything contained in this Contract to be contrary, (i) the covenants and obligations of Seller set forth in Sections 9.05, 12.03, 14.01, 21(c), 21(f), 21(g) and 23(d) hereof shall survive the Closing indefinitely, subject to applicable statutes of limitation, and (ii) with respect to Section 21(k) hereof, the survival of Seller's representation for 90 days shall be limited to any liens filed or to be filed against the Premises resulting from work caused to be performed by Seller (and for which no tenant is responsible).

27. Miscellaneous Provisions.

(a) Supplementing Section 17.06 hereof, the submission of this Contract for examination shall not bind Seller in any manner or be construed as an offer to sell, and no contract or obligation of Seller or Purchaser shall arise until this instrument is executed and delivered by both Seller and Purchaser and the Downpayment has been received and collected by Escrowee.

(b) At or prior to the Closing, Seller shall deliver an estoppel certificate (in the form annexed hereto as Exhibit "D") duly executed and delivered by each of the Existing Tenants listed on Schedule "L" hereto or, if Seller is unable to obtain and deliver such estoppel certificate from one or more of such tenants, Seller shall execute and deliver such estoppel certificate(s) in its name. Each such estoppel certificate delivered by each of the Existing Tenants shall be dated not earlier than April 1, 1998 and Seller's estoppel certificate(s) shall be dated not earlier than five (5) business days prior to the date of the Closing. In addition, Seller shall submit such estoppel certificate to all other tenants of the Building. Seller shall use its reasonable efforts to have all tenants complete, execute and deliver such estoppel certificate to Purchaser prior to the Closing; however, a tenant's failure or refusal to execute and return

an estoppel certificate (in the form of Exhibit "D") or a tenant's modification of or supplement to the text of such estoppel certificate (which has been executed and returned by such tenant), shall not be deemed a default by Seller under this Contract or entitle Purchaser to terminate this Contract provided that Seller has delivered, at the Closing, substitute estoppel certificate(s) in its name as provided above.

(c) Prior to the Closing, Seller, at Seller's election, may convert the within transfer of title to the Premises to a tax free exchange under Section 1031 of the Internal Revenue Code, provided that such tax free exchange in no way delays the Closing under this Contract. If Seller so elects, Purchaser, at no cost or expense to Purchaser, shall cooperate with Seller in effectuating said tax free exchange, and Seller shall indemnify and hold Purchaser harmless from and against any and all costs, expenses, damages and liabilities incurred or paid by Purchaser in connection therewith, Seller's obligation under this Section surviving the Closing.

(d) Except as otherwise specifically set forth herein, Seller has not made and does not make, and Seller has not authorized any other party to make, any representations or other statements whatsoever as to: the use, convertibility for other use, occupancy, physical condition (including, without limitation, the presence or absence of hazardous materials in, on or about the Premises), market value, state of repair, gross or net income derived from the Premises, expenses of operation (including, without limitation, taxes assessed against the Premises), or any other matter or thing affecting or relating to the Premises or the fixtures and items of Personal Property included in this sale and Purchaser hereby expressly acknowledges that no such representations or other statements have been made by or on behalf of Seller.

(e) Neither party shall record this Contract or any memorandum hereof. Any such filing or recordation shall be null and void ab initio. Further, any attempt by Purchaser to record this Contract as aforesaid shall be a default of Purchaser hereunder and thereupon, at Seller's option, this Contract shall be deemed terminated and Seller shall have any and all remedies for the default of Purchaser as provided herein.

(f) For the purposes of this Contract, all representations and warranties made by Seller shall be based upon the actual knowledge of Mr. Norman Sturner and/or Mr. Neil Siderow.

28. Inspection

Purchaser has caused or has waived the right to cause a full and complete inspection to be made of the Premises and the Personal Property, as well as a thorough investigation regarding all matters and things relating to the Premises, including all environmental matters relating thereto. Except as otherwise set forth in this Contract, Purchaser shall take title to the Premises and any fixtures and items of Personal Property being sold therewith "AS IS" and "WHERE IS" as of the date hereof, subject to any and all conditions and defects of any nature whatsoever (including, without limitation, structural, environmental, latent and other conditions or defects) which may now or hereafter exist.

29. Risk of Loss

Supplementing the provisions of Article 8 hereof, the risk of loss shall be on Seller until the Closing and thereafter it shall be assumed by Purchaser. In the event of a fire or other casualty or condemnation of a material nature occurring prior to the Closing, Purchaser shall have the option of either terminating this Contract or acquiring the Premises with an abatement in the Purchase Price in an amount equal to

the insurance proceeds paid in respect of the damages sustained to the Premises.

30. Management

Seller shall cancel, on or before the date of the Closing, any and all management agreements applicable to the Premises and such cancellation shall be a condition precedent to Purchaser's obligation to purchase the Premises.

31. Rent Arrears

As to prior rent arrears, Purchaser shall receive the first rents from tenants in arrears as a trust fund for prompt remission to Seller in payment of such tenant's arrears. However, if a court of competent jurisdiction shall have finally determined that any tenant in arrears is entitled to a rent abatement with respect to any portion of prior rent arrears, the payment due to Seller pursuant to the immediately preceding sentence shall be appropriately adjusted. The provisions of this Article shall survive the Closing.

32. Termination of Tenancies

(a) If any tenant shall fail to comply with the provisions of any lease or other agreement affecting the Premises, or any part thereof, prior to the Closing, Seller shall have the right to commence summary proceedings against such tenant(s) in the event of non-payment of rent, and to prosecute such proceedings to money judgment (but not a judgment of possession) after the Closing (with Purchaser's cooperation, at no cost to Purchaser if such action relates to unpaid rents due exclusively to Seller for any period(s) prior to the Closing).

(b) Seller makes no representation and assumes no responsibility with respect to continued occupancy of the Premises or any part thereof by any tenant or tenants now in possession. Prior to the Closing, (i) Seller shall not settle any suit, action or proceeding commenced to enforce the collection of rents or Additional Rents due Seller from past, present or future tenants of the Building without obtaining Purchaser's prior consent (which consent shall not be unreasonably withheld or delayed) if such settlement would materially adversely affect Purchaser's rights, after the Closing, in any respect; and (ii) Seller shall be entitled, but not obligated, to enforce the rights under any lease or any tenancy by summary proceedings or otherwise; however, Seller shall not terminate any lease without Purchaser's prior consent.

33. Title Objections.

Purchaser shall order a title report and a full lien and municipal search with respect to the Premises promptly upon execution of this Contract, and shall instruct its title company to deliver a copy of the title report and all title documents and title updates and continuations to be delivered to Mandel & Resnik P.C., 220 East 42nd Street - 20th Floor, New York, New York 10017, Attention: Barry H. Mandel, Esq., at the time such documents and information are delivered to Purchaser and/or its counsel. All objections to title must be submitted by Purchaser in writing to Mandel & Resnik P.C. promptly following Purchaser's receipt of a title report and each title update or continuation, but not less than ten (10) days prior to the date of the Closing set forth herein. All objections not so submitted to Seller's counsel shall be deemed waived by Purchaser, except with respect to any matters of title initially disclosed to Purchaser and Seller within such 10-day period (in which event any objections to title shall be communicated to Seller's counsel not later than the second business day following receipt, so long as such second



business day precedes the date of the Closing). Any attempt by Seller to cure an objection shall not be construed as an admission by Seller that such objection is one which would give Purchaser the right to cancel this Contract.

34. Purchaser's Closing Costs.

At the Closing, Seller shall pay to Purchaser the sum of \$300,000.00 in reimbursement of Purchaser's expenses incurred in connection with this transaction, which expenses need not be substantiated by Purchaser.

30th STREET ASSOCIATES

BY: MURRAY HILL PROPERTIES VII,  
General Partner

BY: MURRAY HILL PROPERTIES,  
General Partner

By:/s/ Norman Sturner

-----  
Norman Sturner,  
General Partner

SL GREEN OPERATING PARTNERSHIP, L.P.,

BY: SL GREEN REALTY CORP.,  
General Partner

By:/s/ Steven H. Klein

-----  
Steven H. Klein,  
Executive Vice President

LIST OF SCHEDULES AND EXHIBITS

38 East 30th Street

Schedule	A	-	Legal Description of Premises
Schedule	B	-	Permitted Exceptions
Schedule	C	-	Purchase Price
Schedule	D	-	Miscellaneous Information
Schedule	E	-	Existing Leases, Rent Roll and Security Deposits
Schedule	F	-	Insurance
Schedule	G	-	Pay Roll/Employees
Schedule	H	-	Service Contracts
Schedule	I	-	Certain Pending Transactions for which Purchaser may be Obligated to Pay a Brokerage Commission [Intentionally Omitted]
Schedule	J	-	Operating Statements
Schedule	K	-	List of Existing Tenants for Estoppel Certificates
Schedule	L	-	Leasing Criteria
Schedule	M	-	
Exhibit A		-	Assignment and Assumption of Leases and Security Deposits
Exhibit B		-	Assignment and Assumption of Contracts
Exhibit C		-	Form of Notice to Tenants
Exhibit D		-	Tenant Estoppel Certificate

Schedule A

Legal Description of Premises

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

BEGINNING at a point on the Southerly side of 30th Street, distant 100 feet Westerly from the Southwesterly corner of 30th Street and Park Avenue South (formerly 4th Avenue);

RUNNING THENCE Southerly parallel with Park Avenue South, 98 feet 9 inches to the center line of the block;

THENCE Westerly and along said center line of the block, 72 feet 7- 1/2 inches;

THENCE Northerly and parallel with Park Avenue South and part of the distance through a party wall, 98 feet 9 inches to the Southerly side of 30th Street; and

THENCE Easterly along the Southerly side of 30th Street, 72 feet 7- 1/2 inches to the point or place of BEGINNING.

Premises known as:       38-44 East 30th Street, New York, NY.  
                              Block 859  
                              Lot 52

Schedule C

PURCHASE PRICE

The Purchase Price shall be paid as follows:

(a) By check subject to collection or by wire transfer, the receipt of which is hereby acknowledged by Seller:

\$ 500,000.00  
-----

(b) By check, checks or wire transfer delivered to Seller at Closing in accordance with the provisions of Section 2.02:

\$10,000,000.00  
-----

Purchase Price

-----  
\$10,500,000.00  
=====

Schedule D

MISCELLANEOUS

- 1. Title insurer designated by the parties (ss.1.02):
- 5. Seller's tax identification number (ss.2.05):
- 6. Purchaser's tax identification number (ss.2.05):
- 7. Scheduled time and date of Closing (ss.3.01): [INSERT 47]
- 8. Place of Closing (ss.3.01): [INSERT 48]
- 9. Assessed valuation of Premises (ss.4.10): [INSERT 48A]
- 10. Fiscal year and annual real estate taxes on Premises (ss.4.10):
  - 7/1/97-12/31/97 - \$140,594.97
  - 1/1/98-6/30/98 - \$140,868.32
- 11. Tax abatements or exemptions affecting Premises (ss.4.10):
  - None
- 12. Assessments on Premises (ss.4.13): None
- 14. Maximum Expense of Seller to cure title defects, etc. (ss.13.02) [INSERT 49]:
- 15. Broker, if any (ss.14.01):
  - Murray Hill Properties Corp.
- 16. Party to pay broker's commission (ss.14.01): Seller
- 17.
- 18.
- 19. Additional Schedules or Riders (ss.17.08):
  - See attached

Schedule E

RENT SCHEDULE

(to be attached separately)

154 Contract of sale for New York office,  
commercial and multi-family  
residential premises.

Distribution by Julius  
Blumberg, Inc.  
NYC 10013

Prepared by the Real Property Committee of the Association of the Bar of the  
City of New York.

NOTE: This form is intended to cover matters common to most transactions.  
Provisions should be added, altered or deleted to  
suit the circumstances of a particular transaction.

Contract of Sale -- Office, Commercial and Multi-Family Residential Premises

Table of Contents

- Section 1. Sale of premises and acceptable title
- Section 2. Purchase price, acceptable funds, existing mortgages, purchase money mortgage, escrow of downpayment and foreign persons
- Section 3. The closing
- Section 4. Representations and warranties of seller
- Section 5. Acknowledgements of purchaser
- Section 6. Seller's obligations as to leases
- Section 7. Responsibility for violations
- Section 8. Destruction, damage or condemnation
- Section 9. Covenants of seller
- Section 10. Seller's closing obligations
- Section 11. Purchaser's closing obligations
- Section 12. Apportionments
- Section 13. Objections to title, failure of seller or purchaser to perform and vendee's lien
- Section 14. Broker
- Section 15. Notices
- Section 16. Limitations on survival of representations, warranties, covenants and other obligations
- Section 17. Gains tax and miscellaneous provisions
- Signatures and receipt by escrowee
- Schedule A. Description of premises (to be attached)
- Schedule B. Permitted exceptions
- Schedule C. Purchase price
- Schedule D. Miscellaneous
- Schedule E. Rent schedule (to be attached)

CONTRACT dated March 25, 1998 between

Nassau Street Partners, a New York limited partnership, having  
offices c/o Murray Hill Property Management, Inc., 440 Ninth Avenue  
- Penthouse, New York, New York 10001

("Seller") and

SL Green Operating Partnership, L.P., a Delaware limited  
partnership, having an address c/o SL Green Realty Corp., 70 West  
36th Street, New York, New York 10018

("Purchaser").

Seller and Purchaser hereby covenant and agree as follows:

Section 1. Sale of Premises and Acceptable Title

ss.1.01. Seller shall sell to Purchaser, and Purchaser shall purchase from Seller, at the price and upon the terms and conditions set forth in this contract: (a) the parcel of land more particularly described in Schedule A attached hereto ("Land") [INSERT 1]; (b) [INSERT 2] all buildings and improvements situated on the Land (collectively, "Building"); (c) all right, title and interest of Seller, if any, in and to the land lying in the bed of any street or highway in front of or adjoining the Land to the center line thereof and to any unpaid award for any taking by condemnation or any damage to the Land by reason of a change of grade of any street or highway; (d) the appurtenances and all the estate and rights of Seller in and to the Land and Building; and (e)

all right, title and interest of Seller, if any, in and to the fixtures, [INSERT 2A] equipment or appurtenant to the Building (collectively, "Premises"). [INSERT 2B] The Premises are located at or known as

116 Nassau Street  
Brooklyn, New York

ss.1.02. Seller shall convey and Purchaser shall accept fee simple title to the Premises in accordance with the terms of this contract, subject only to: (a) the matters set forth in Schedule B attached hereto (collectively, "Permitted Exceptions"); and (b) such other matters as (i) the title insurer specified in Schedule D attached hereto (or if none is so specified, then any title insurer licensed to do business by the State of New York) shall be willing, without special premium, to omit as exceptions to coverage or to except with insurance against collection out of or enforcement against the Premises.

Section 2. Purchase Price, Acceptable Funds, Existing Mortgages, Purchase Money Mortgage and Escrow of Downpayment

ss.2.01. The purchase price ("Purchase Price") to be paid by Purchaser to Seller for the Premises as provided in Schedule C attached hereto is \$10,500,000.00

ss.2.02 All monies payable under this contract, unless otherwise specified in this contract, shall be paid by (a) certified checks of Purchaser or any person making a purchase money loan to Purchaser drawn on any bank, savings bank, trust company or savings and loan association having a banking office in the State of New York [INSERT 3] official bank checks drawn by any such banking institution, payable to the order of Seller [INSERT 4]; except that uncertified checks of Purchaser payable to the order of Seller up to the amount of one-half of one percent of the Purchase Price shall be acceptable for sums payable to Seller at the Closing.

ss.2.05. (a) The sum paid under paragraph (a) of Schedule C [INSERT 5] other sums paid on account of the Purchase Price prior to the Closing (collectively, "Downpayment") [INSERT 6] paid by check or checks drawn to the order of and delivered to [INSERT 7] ("Escrowee"). The Escrowee shall hold the proceeds thereof in escrow in a special bank account (or as otherwise agreed in writing by Seller, Purchaser and Escrowee) until the Closing or sooner termination of this contract and shall pay over or apply such proceeds in accordance with the terms of this section. Escrowee [INSERT 8] hold such proceeds in an interest-bearing account. Any interest earned thereon shall be paid to the same party entitled to the escrowed proceeds, and the party receiving such interest shall pay any income taxes thereon. The tax identification numbers of the parties are either set forth in Schedule D or shall be furnished to Escrowee upon request. At the Closing, such proceeds and the interest thereon, if any, shall be paid by Escrowee to Seller [INSERT 9]. If for any reason the Closing does not occur and either party makes a written demand upon Escrowee for payment of such amount, Escrowee shall give written notice to the other party of such demand. If Escrowee does not receive a written objection from the other party to the proposed payment within 10 business days after the giving of such notice, Escrowee is hereby authorized to make such payment. If Escrowee does receive such written objection within such 10 day period or if for any other reason Escrowee in good faith shall elect not to make such payment, Escrowee shall continue to hold such amount until otherwise directed by written instructions from the parties to this contract or a final judgment of a court. However, Escrowee shall have the right at any time to deposit the escrowed proceeds and interest thereon, if any, with the clerk of the Supreme Court of the county in which the Land is located. Escrowee shall give written notice of such deposit to Seller and Purchaser. Upon such deposit Escrowee shall be relieved and discharged of all further obligations and responsibilities hereunder.

(b) The parties acknowledge that Escrowee is acting solely as a stakeholder at their request and for their convenience, that Escrowee shall not be deemed to be the agent of either of the parties, and that Escrowee shall not be liable to either of the parties for any act or omission on its part unless taken or suffered in bad faith, in willful disregard of this contract or involving gross negligence. Seller and Purchaser shall jointly and severally indemnify and hold Escrowee harmless from and against all costs, claims and expenses, including reasonable attorneys' fees, incurred in connection with the performance of Escrowee's duties hereunder, except with respect to actions or omissions taken or suffered by Escrowee in bad faith, in willful disregard of this contract or involving gross negligence on the part of Escrowee.

[INSERT 10]

(c) Escrowee has acknowledged agreement to these provisions by signing in the place indicated on the signature page of this contract.

### Section 3. The Closing

ss.3.01. Except as otherwise provided in this contract, the closing of title pursuant to this contract ("Closing") shall take place on the scheduled date and time of closing specified in Schedule D (the actual date of the Closing being herein referred to as "Closing Date") at the place specified in Schedule D.

### Section 4. Representations and Warranties of Seller

Seller represents and warrants to Purchaser as follows:

ss.4.01. Unless otherwise provided in this contract, Seller is the sole owner of the Premises.

ss.4.02.

ss.4.03. If any Leases which have been exhibited to and initialed by Purchaser or its representative contain provisions that are inconsistent with the foregoing representations and warranties, such representations and warranties shall be deemed modified to the extent necessary to eliminate such inconsistency and to conform such representations and warranties to the provisions of the Leases.

ss.4.04.

ss.4.05.

ss.4.06. [INSERT 11] lists all insurance policies presently affording coverage with respect to the Premises, and the information contained therein is accurate as of the date set forth therein or, if no date is set forth therein, as of the date hereof.

ss.4.07. [INSERT 12] lists all employees presently employed at the Premises, and the information contained therein is accurate as of the date hereof, and, except as otherwise set forth in such schedule, [INSERT 13] covered by a union contract and there are no retroactive increases or other accrued and unpaid sums owed to any employee.

ss.4.08.

ss.4.09. The copy of a certificate of occupancy for the Premises exhibited to and initialed by Purchaser or its representative, is a true copy of the original and such certificate has not been amended, but Seller makes no representation as to compliance with any such certificate [INSERT 13A].

ss.4.10. The assessed valuation and real estate taxes set forth in Schedule D, if any, are the assessed valuation of the Premises and the taxes paid or payable with respect thereto for the fiscal year indicated in such schedule. Except as otherwise set forth in Schedule D, there are no tax abatements or exemptions affecting the Premises.

ss.4.11. [INSERT 14]

ss.4.12. Seller has no actual knowledge that any incinerator, boiler or other burning equipment on the Premises is being operated in violation of applicable law. [INSERT 15] copies of a certificate or certificates of operation therefor have been exhibited to and initialed by Purchaser or its representative, such copies are true copies of the originals.

ss.4.13. Except as otherwise set forth in Schedule D, Seller has no actual knowledge of any assessment payable in annual installments, or any part thereof, which has become a lien on the Premises.



## Section 5. Acknowledgments of Purchaser

Purchaser acknowledges that:

ss.5.01. Purchaser has inspected the Premises, is fully familiar with the physical condition and state of repair thereof, and, subject to the provisions of ss.7.01, ss.8.01, and ss.9.04, shall accept the Premises "as is" and in their present condition, subject to reasonable use, wear, tear and natural deterioration between now and the Closing Date, without any reduction in the Purchase Price for any change in such condition by reason thereof subsequent to the date of this contract.

ss.5.02. In entering into this contract, Purchaser has not been induced by and has not relied upon any representations, warranties or statements, whether express or implied, made by Seller or any agent, employee or other representative of Seller or by any broker or any other person representing or purporting to represent Seller, which are not expressly set forth in this contract, whether or not any such representations, warranties or statements were made in writing or orally. [INSERT 15A]

## Section 6. Seller's Obligations as to Leases

ss.6.01. Unless otherwise provided in a schedule attached to this contract, between the date of this contract and the Closing, Seller shall not, without Purchaser's prior written consent, : (a) amend, renew or extend any [INSERT 16] Lease in any respect, unless required by law; (b) grant a written lease to any tenant occupying space pursuant to a Tenancy [INSERT 17]; or (c) terminate any [INSERT 16] Lease or Tenancy.

ss.6.02.

ss.6.03. If any space is vacant on the Closing Date, Purchaser shall accept the Premises subject to such vacancy, provided that the vacancy was not permitted or created by Seller in violation of any restrictions contained in this contract [INSERT 20]. Seller shall not grant any concessions or rent abatements for any period following the Closing without Purchaser's prior written consent. Seller shall not apply all or any part of the security deposit of any tenant unless such tenant has vacated the Premises.

ss.6.04. [INSERT 21] Seller does not warrant that any particular Lease or Tenancy will be in force or effect at the Closing or that the tenants will have performed their obligations thereunder. The termination of any Lease or Tenancy prior to the Closing by reason of the tenant's default shall not affect the obligations of Purchaser under this contract in any manner or entitle Purchaser to an abatement of or credit against the Purchase Price or give rise to any other claim on the part of Purchaser.

## Section 7. Responsibility for Violations

ss.7.01. [INSERT 22] notes or notices of violations of law or governmental ordinances, orders or requirements which were noted or issued prior to [INSERT 22A] the date of this contract by any governmental department, agency or bureau having jurisdiction as to conditions affecting the Premises and all liens which have attached to the Premises prior to the Closing pursuant to the Administrative Code of the City of New York, if applicable, shall be the sole responsibility of Purchaser.

ss.7.02.

ss.7.03. Regardless of whether a violation has been noted or issued prior to the date of this contract, Seller's failure to remove or fully comply with violations shall not be an objection to title.

ss.7.04. If required, Seller, upon written request by Purchaser, shall promptly furnish to Purchaser written authorizations to make any necessary searches for the purposes of determining whether notes or notices of violations have been noted or issued with respect to the Premises or liens have attached thereto.

## Section 8. Destruction, Damage or Condemnation

ss.8.01. The provisions of Section 5-1311 of the General Obligations Law shall apply to the sale and purchase provided for in this contract. [INSERT 23]

## Section 9. Covenants of Seller

Seller covenants that between the date of this contract and the Closing:

ss.9.01.

ss.9.02. Seller shall not modify or amend any Service Contract or enter into any new service contract unless the same is terminable without penalty. [INSERT 23A]

ss.9.03. Seller shall maintain in full force and effect until the Closing the insurance policies described in [INSERT 24] or renewals thereof for no more than one year of those expiring before the Closing.

ss.9.04. No fixtures, equipment or personal property included in this sale shall be removed from the Premises unless the same are replaced with similar items of at least equal quality prior to the Closing.

ss.9.05. Seller shall not withdraw, settle or otherwise compromise any protest or reduction proceeding affecting real estate taxes assessed against the Premises for any fiscal period in which the Closing is to occur or any subsequent fiscal period without the prior written consent of Purchaser, which consent shall not be unreasonably withheld. Real estate tax refunds and credits received after the Closing Date which are attributable to the fiscal tax year during which the Closing Date occurs shall be apportioned between Seller and Purchaser, after deducting the expenses of collection thereof, which obligation shall survive the Closing. [INSERT 24A]

ss.9.06. Seller shall allow Purchaser or Purchaser's representatives access to the Premises, the Leases and other documents required to be delivered under this contract upon reasonable prior notice at reasonable times.

#### Section 10. Seller's Closing Obligations

At the Closing, Seller shall deliver the following to Purchaser:

ss.10.01. A statutory form of bargain and sale deed without covenant against grantor's acts containing the covenant required by Section 13 of the Lien Law, and properly executed in proper form for recording so as to convey the title required by this contract.

ss.10.02. All [INSERT 16] Leases initialed by Purchaser and all others in Seller's possession. [INSERT 25]

ss.10.03. A schedule of all cash security deposits and a check or credit to Purchaser in the amount of such security deposits, including any interest thereon, held by Seller on the Closing Date under the [INSERT 16] Leases or, if held by an institutional Lender, an assignment to Purchaser and written instructions to the holder of such deposits to transfer the same to Purchaser, and appropriate instruments of transfer or assignment with respect to any lease securities which are other than cash [INSERT 26]

ss.10.04. A schedule updating the [INSERT 27] and setting forth all arrears in rents and all prepayments of rents. [INSERT 28]

ss.10.05. All Service Contracts initialed by Purchaser and all others in Seller's possession which are in effect on the Closing Date and which are assignable by Seller.

ss.10.06. An assignment to Purchaser, [INSERT 29] of all of the interest of Seller in those Service Contracts, insurance policies, certificates, permits and other [INSERT 29A] documents to be delivered to Purchaser at the Closing which are then in effect and are assignable by Seller.

SS.10.07. [INSERT 30]

ss.10.10. To the extent they are then in Seller's possession and not posted at the Premises, certificates, licenses, permits, authorizations and approvals issued for or with respect to the Premises by governmental and quasi-governmental authorities having jurisdiction.

ss.10.11. Such affidavits as Purchaser's title company shall reasonably require in order to omit from its title insurance policy all exceptions for judgments, bankruptcies or other returns against persons or entities whose names are the same as or similar to Seller's name. [INSERT 31]

ss.10.12 Checks to the order of the appropriate officers in payment of all applicable real property transfer taxes and copies of any required tax returns therefor executed by Seller, which checks shall be certified or official bank checks if required by the taxing authority, unless Seller elects to have Purchaser pay any of such taxes and credit Purchaser with the amount thereof.

[INSERT 31A]

ss.10.13. To the extent they are then in Seller's possession, copies of current painting and payroll records. Seller shall make all other Building and tenant files and records available to Purchaser for copying, which obligation shall survive the Closing.

ss.10.14. An original letter, [INSERT 32] executed by Seller or by its agent, advising the tenants of the sale of the Premises to Purchaser and directing that rents and other payments thereafter be sent to Purchaser or as Purchaser may direct.

ss.10.17. Possession of the Premises in the condition required by this contract, subject to the Leases and Tenancies, and keys therefor.

ss.10.18. Any other documents required by this contract to be delivered by Seller.

#### Section 11. Purchaser's Closing Obligations

At the Closing, Purchaser shall:

ss.11.01. Deliver to Seller checks [INSERT 34] in payment of the portion of the Purchase Price payable at the Closing, as adjusted for apportionments under Section 12.

ss.11.03. Deliver to Seller an agreement indemnifying and agreeing to

defend Seller against any claims made by tenants with respect to tenants' security deposits to the extent paid, credited or assigned to Purchaser under ss.10.03. [INSERT 35]

ss.11.04. Cause the deed to be recorded, duly complete all required real property transfer tax returns and cause all such returns and checks in payment of such taxes to be delivered to the appropriate officers promptly after the Closing.

ss.11.05. Deliver any other documents required by this contract to be delivered by Purchaser.

#### Section 12. Apportionments

ss.12.01. The following apportionments shall be made between the parties at the Closing as of the close of business on the day prior to the Closing Date:

(a) prepaid rents and Additional Rents (as defined in ss.12.03);

(b)

(c) real estate taxes, water charges, sewer rents and vault charges, if any, on the basis of the fiscal period for which assessed, except that if there is a water meter on the Premises, apportionment at the Closing shall be based on the last available reading, subject to adjustment after the Closing when the next reading is available;

(d) wages, vacation pay, pension and welfare benefits and other fringe benefits of all persons employed at the Premises whose employment was not terminated at or prior to the Closing;

(e) value of fuel stored on the Premises, at the price then charged by Seller's supplier, including any taxes;

[INSERT 36]

(f) charges under Service Contracts or permitted renewals or replacements thereof;

(g) Permitted administrative charges, if any, on tenants' security deposits;

(j) Reletting Expenses under ss.6.02, if any; and

(k) any other items listed in Schedule D.

If the Closing shall occur before a new tax rate is fixed, the apportionment of taxes at the Closing shall be upon the basis of the old tax rate for the preceding period applied to latest assessed valuation. Promptly after the new tax rate is fixed, the apportionment of taxes shall be recomputed. Any discrepancy resulting from such recomputation and any errors or omissions in computing apportionments at Closing shall be promptly corrected, which obligations shall survive the Closing.

ss.12.02. If any tenant is in arrears in the payment of rent on the Closing Date, rents received from such tenant after the Closing shall be applied in the following order of priority: (a) first to the month preceding the month in which the Closing occurred; (b) then to the month in which the Closing occurred; (c) then to any month or months following the month in which the Closing occurred; and (d) then to the period prior to the month preceding the month in which the Closing occurred. If rents or any portion thereof received by Seller or Purchaser after the Closing are payable to the other party by reason of this allocation, the appropriate sum, less a proportionate share of any reasonable attorneys' fees, costs and expenses of collection thereof, shall be promptly paid to the other party [INSERT 37], which obligation shall survive the Closing.

ss.12.03. If any tenants are required to pay percentage rent, escalation charges for real estate taxes, operating expenses, cost-of-living adjustments [INSERT 37A] or other charges of a similar nature ("Additional Rents") and any Additional Rents are collected by Purchaser after the Closing which are attributable in whole or in part to any period prior to the Closing, then Purchaser shall promptly pay to Seller [INSERT 38] Seller's proportionate share thereof, less a proportionate share of any reasonable attorneys' fees, costs and expenses of collection thereof, if and when the tenant paying the same has made all payments of rent and Additional Rent then due to Purchaser pursuant to the tenant's Lease, which obligation shall survive the Closing. [INSERT 39]

### Section 13. Objections to Title, Failure of Seller or Purchaser to Perform and Vendee's Lien

ss.13.01. Purchaser shall promptly order an examination of title and shall cause a copy of the title report to be forwarded to Seller's attorney upon receipt. Seller shall be entitled to a reasonable adjournment or adjournments of the Closing for up to 60 days to remove any defects in or objections to title noted in such title report and any other defects or objections which may be disclosed on or prior to the Closing Date.

ss.13.02. If Seller shall be unable to convey title to the Premises at the Closing in accordance with the provisions of this contract or if Purchaser shall have any other grounds under this contract for refusing to consummate the purchase provided for herein, Purchaser, nevertheless, may elect to accept such title as Seller may be able to convey with a credit against the monies payable at the Closing equal to the reasonably estimated cost to cure the same (up to the Maximum Expense described below), but without any other credit or liability on the part of Seller. If Purchaser shall not so elect, Purchaser may terminate this contract and the sole liability of Seller shall be to refund the Downpayment to Purchaser and to reimburse Purchaser for the net cost of title examination, but not to exceed the net amount charged by Purchaser's title company therefor without issuance of a policy, and the net cost of updating the existing survey of the Premises. Upon such refund and reimbursement, this contract shall be null and void and the parties hereto shall be relieved of all further obligations and liability other than any arising under Section 14. Seller shall not be required to bring any action or proceeding or to incur any expense in excess of the Maximum Expense specified in Schedule D to cure any title defect or to enable Seller otherwise to comply with the provisions of this contract, but the foregoing shall not permit Seller to refuse to pay off at the Closing. [INSERT 39A]

ss.13.03. Any unpaid taxes, assessments, water charges and sewer rents, together with the interest and penalties thereon to a date not less than two days following the Closing Date, and any other liens and encumbrances which Seller is obligated to pay and discharge or which are against corporations, estates or other persons in the chain of title, together with the cost of recording or filing any instruments necessary to discharge such liens and encumbrances of record, may be paid out of the proceeds of the monies payable at the Closing if Seller delivers to Purchaser on the Closing Date official bills for such taxes, assessments, water charges, sewer rents, interest and penalties and instruments in recordable form sufficient to discharge any other liens and encumbrances of record. Upon request made a reasonable time before the Closing, Purchaser shall provide at the Closing separate checks for the foregoing payable to the order of the holder of any such lien, charge or encumbrance and otherwise complying with ss.2.02. If Purchaser's title insurance company is willing to insure [INSERT 40] such charges, liens and encumbrances, then, Seller shall have the right in lieu of payment and discharge to deposit with the title insurance company such funds or assurances or to pay such special or additional premiums as the title insurance company may require in order to so insure. In such case the charges, liens and encumbrances with respect to which the title insurance company has agreed so to insure shall not be considered objections to title.

ss.13.04. If Purchaser shall default in the performance of its obligation under this contract to purchase the Premises, the sole remedy of Seller shall be to retain the Downpayment as liquidated damages for all loss, damage and expense suffered by Seller, including without limitation the loss of its bargain. [INSERT 40A]

ss.13.05. Purchaser shall have a vendee's lien against the Premises for the amount of the Downpayment, but such lien shall not continue after default by Purchaser under this contract.

### Section 14. Broker

ss.14.01. If a broker is specified in Schedule D, Seller and Purchaser mutually represent and warrant that such broker is the only broker with whom they have dealt in connection with this contract that neither Seller nor Purchaser knows of any other broker who has claimed or may have the right to claim a commission in connection with this transaction, unless otherwise indicated in Schedule D. The commission of such broker shall be paid pursuant to separate agreement by the party specified in Schedule D. If no broker is specified in Schedule D, the parties acknowledge that this contract was brought about by direct negotiation between Seller and Purchaser and that neither Seller nor Purchaser knows of any broker entitled to a commission in connection with this transaction. Unless otherwise provided in Schedule D, Seller and Purchaser shall indemnify and defend each other against any costs, claims or expenses, including attorneys' fees, arising out of the breach on their respective parts of any representations, warranties or agreements contained in the paragraph. The representations and obligations under this paragraph shall survive the Closing or, if the Closing does not occur, the termination of this contract.

#### Section 15. Notices

ss.15.01.

#### Section 16. Limitations on Survival of Representations, Warranties, Covenants and other Obligations

ss.16.02. The delivery of the deed by Seller, and the acceptance thereof by Purchaser, shall be deemed the full performance and discharge of every obligation on the part of Seller to be performed hereunder, except those obligations of Seller which are expressly stated in this contract to survive the Closing.

Section 17. Miscellaneous Provisions

ss.17.01. No assignment of Purchaser's rights under this contract shall be effective against Seller unless and until an executed counterpart of the instrument of assignment shall have been delivered to Seller and Seller shall have been furnished with the name and address of the assignee. The term "Purchaser" shall be deemed to include the assignee under any such effective assignment.

ss.17.02. This contract embodies and constitutes the entire understanding between the parties with respect to the transaction contemplated herein, and all prior agreements, understandings, representations and statements, oral or written, are merged into this contract. Neither this contract nor any provision hereof may be waived, modified, amended, discharged or terminated except by an instrument signed by the party against whom the enforcement of such waiver, modification, amendment, discharge or termination is sought, and then only to the extent set forth in such instrument.

ss.17.03. This contract shall be governed by, and construed in accordance with, the law of the State of New York.

ss.17.04. The captions in this contract are inserted for convenience of reference only and in no way define, describe or limit the scope or intent of this contract or any of the provisions hereof.

ss.17.05. This contract shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs or successors and permitted assigns.

ss.17.06. This contract shall not be binding or effective until properly executed and delivered by Seller and Purchaser.

ss.17.07. As used in this contract, the masculine shall include the feminine and neuter, the singular shall include the plural and the plural shall include the singular, as the context may require.

ss.17.08. If the provisions of any schedule or rider to this contract are inconsistent with the provisions of this contract, the provisions of such schedule or rider shall prevail. Set forth in Scheule D is a list of any and all schedules and riders which are attached hereto but which are not listed in the Table of Contents.

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

Seller: NASSAU STREET PARTNERS  
By: MURRAY HILL ASSOCIATES XVI, INC.,  
General Partner

by: /s/ Neil Siderow  
-----  
Neil Siderow,  
President

Purchaser: SL GREEN OPERATING PARTNERSHIP, L.P.  
By: SL GREEN REALTY CORP.,  
General Partner

by: /s/ Steven H. Klein,  
-----  
Steven H. Klein,  
Executive Vice-President

Receipt by Escrowee

The undersigned Escrowee hereby acknowledges receipt of \$500,000.00, by check subject to collection, to be held in escrow pursuant to ss.2.05. [INSERT 41B]

MANDEL & RESNIK P.C.

By: [Illegible]  
-----

Schedule A  
DESCRIPTION OF PREMISES

(to be attached separately and to include tax map designation)

Schedule B

PERMITTED EXCEPTIONS

1. Zoning regulations and ordinances which are not violated by the existing structures or present use thereof and which do not render title uninsurable.
2. Consents by the Seller or any former owner of the Premises for the erection of any structure or structures on, under or above any street or streets on which the Premises may abut.
- 3.

4. [INSERT 42] Leases and Tenancies specified in the [INSERT 43] and any new leases or tenancies not prohibited by this contract.

5. Unpaid installments of assessments not due and payable on or before the Closing Date.

6. Financing statements, chattel mortgages and liens on personalty filed more than 5 years prior to the Closing Date and not renewed, or filed against property or equipment no longer located on the Premises or owned by Tenants.

7. (a) Rights of utility companies to lay, maintain, install and repair pipes, lines, poles, conduits, cable boxes and related equipment on, over and under the Premises, provided that none of such rights imposes any monetary obligation on the owner of the Premises.

(b) Encroachments of stoops, areas, cellar steps, trim cornices, lintels, window sills, awnings, canopies, ledges, fences, hedges, coping and retaining walls projecting from the Premises over any street or highway or over any adjoining property and encroachments of similar elements projecting from adjoining property over the Premises [INSERT 44].

(c) Revocability or lack of right to maintain vaults, coal chutes, excavations or sub-surface equipment beyond the line of the Premises.

(d) Any state of facts that an accurate survey would disclose, provided that such facts do not render title unmarketable. [INSERT 45]

Schedule C  
PURCHASE PRICE

Purchase Price shall be paid as follows:

- (a) By check subject to collection or  
by wire transfer, the receipt of which  
is hereby acknowledged by Seller:                   \$500,000.00  
-----
- (b) By check, checks or wire transfer  
delivered to Seller at Closing in accordance  
with the provisions of Section 2.02:               \$10,000,000.00  
-----
- Purchase Price   \$10,500,000.00  
=====

Schedule D  
MISCELLANEOUS

1. Title insurer designated by the parties (ss.1.02):
- 2.
- 3.
- 4.
5. Seller's tax identification number (ss.2.05):
6. Purchaser's tax identification number (ss.2.05):
7. Scheduled time and date of Closing (ss.3.01): [INSERT 47]
8. Place of Closing (ss.3.01): [INSERT 48]
9. Assessed valuation of Premises (ss.4.10): [INSERT 48A]
10. Fiscal year and annual real estate taxes on Premises (ss.4.10):  
\$111,697.36
11. Tax abatements or exemptions affecting Premises (ss.4.10): None
12. Assessments on Premises (ss.4.13): None
14. Maximum Expense of Seller to cure title defects, etc. (ss.13.02): [INSERT  
49]
15. Broker, if any (ss.14.01): Talcott Management, Inc.
16. Party to pay broker's commission (ss.14.01): Seller
19. Additional Schedules or Riders (ss.17.08):  
See attached

Schedule E  
RENT SCHEDULE  
(to be attached separately)



INSERTS TO CONTRACT OF SALE  
BETWEEN NASSAU STREET PARTNERS,  
AS SELLER, AND SL GREEN OPERATING  
PARTNERSHIP, L.P., AS PURCHASER

1. , together with all easements, rights of way, privileges, appurtenances and other rights, if any, pertaining to the Land or the Building (as hereinafter defined)
2. all of Seller's rights, title and interest in and to
- 2A. and
- 2B. The personal property to be conveyed by Purchaser to Seller hereunder is all personal property owned by Seller, currently existing at the Building and used in operation of the Building (the "Personal Property").
3. , or (b) by wire of immediately available federal funds, or (c)
4. (or as Seller may otherwise direct in writing to Purchaser at least two (2) business days prior to the Closing)
5. and all
6. shall be
7. Mandel & Resnik P.C.
8. shall
9. (or as Seller may otherwise direct in writing to Escrowee, with a copy to Purchaser, prior to the Closing)
10. The parties acknowledge that Escrowee may be instructed to release and disburse certain funds from (i) the Downpayment in accordance with the provisions of Section 22(b) hereof and (ii) the "FECS Deposit" in accordance with the provisions of Section 22(d) hereof. All of Escrowee's rights and protections set forth in this Section 2.05 shall apply to the provisions of said Sections 22(b) and 22(d).
11. The insurance schedule attached hereto as Schedule "F"
12. The payroll schedule attached hereto as Schedule "G"
13. all of such employees are
- 13A. except as otherwise expressly set forth in this contract.
14. To the best of Seller's knowledge, no portion of the Premises is used for residential purposes.
15. The
- 15A. ss.5.03 Purchaser may, but shall not be obligated to, assume the obligations under any union agreements or other employment agreements for employees of Seller employed at the Premises, and further may, but shall not be obligated to, offer employment to and hire any or all employees covered by any such union agreements or other employment agreements. Upon Purchaser's written demand and simultaneous delivery of sufficient funds of Purchaser to do so, Seller shall cause to be paid any liquidated damages, penalty, additional compensation, accrued vacation and/or termination pay sought by a union pursuant to any union or other employment agreements, such amounts arising out of or as a consequence of Purchaser's failure to adopt and assume the union or employment agreements and/or to hire any or all of Seller's employees covered by such agreements. Purchaser shall and does hereby agree to indemnify, defend and hold Seller free

and harmless from and against any and all liability, claims, actions, damages, judgments, penalties, costs and expenses, including reasonable attorneys' fees and disbursements, (i) accruing under or with respect to such union or other employment agreements on and after the date of the Closing concerning those of Seller's employees hired by Purchaser and/or (ii) arising out of a claim that Purchaser has failed to adopt and assume any of Seller's union or other employment agreements and/or has failed to offer employment to or employ any or all of the employees covered by such agreements. The provisions of this Section shall survive the Closing.

16. Existing
17. (which is defined to mean any tenancy in the Premises not arising out of a lease or sublease)
18. [Intentionally Deleted]
19. [Intentionally Deleted]
20. or in any Lease
21. Except as otherwise expressly provided in this contract,
22. Any
- 22A. , on, or after
23. For the sole purposes thereof, "material" shall be damage, destruction or condemnation, the estimated cost to repair or restore of which exceeds \$250,000.00, in the aggregate.
- 23A. Upon Purchaser's request, Seller shall terminate any existing Service Contract at or prior to the Closing provided that Purchaser pays all costs and penalties, if any, applicable to or resulting from the termination of any such Service Contract. Purchaser hereby agrees to indemnify and hold Seller harmless from and against any and all liability, claim, action, damage, judgment, penalty, cost and expense, including all reasonable attorneys' fees and disbursements, which may result from any such Service Contract termination(s). The provisions of this Section shall survive the Closing.
24. in the insurance schedule attached hereto as Schedule "F"
- 24A. Seller hereby represents that, with respect to the Premises, it is presently prosecuting real estate tax reduction proceedings for tax years 1996-97 through 1998-99, inclusive. Seller shall be entitled to receive and retain any and all tax refunds applicable to any tax year (or portion thereof) applicable to any period prior to the date of the Closing and Seller shall promptly deliver Purchaser's pro-rata portion of such refund, if any, to Purchaser pursuant to Section 9.05 hereof (and if such tax refunds are received by Purchaser after the Closing, Purchaser agrees that it promptly shall deliver Seller's pro-rata portion of such refund to Seller pursuant to Section 9.05 hereof). In the event Seller receives any real estate tax refund with respect to tax year 1998-99, the proceeds thereof (net of all reasonable attorney, accountant and other professional fees and disbursements incurred by Seller in connection with obtaining such refund) shall be prorated, if applicable, as of the date of the Closing, and Seller promptly shall deliver Purchaser's pro-rata portion thereof to Purchaser (and if such tax refund is received by Purchaser after the Closing, Purchaser agrees that it promptly shall deliver Seller's pro-rata portion thereof to Seller). The provisions of this Section 9.05 shall survive the Closing.
25. and an assignment of the Existing Leases in the form attached hereto as Exhibit "A".

26. and an assignment of said cash security deposits and all other security deposits being held by Seller, in the form attached hereto as Exhibit "A". To the extent that any of such security deposits are in the form of a letter of credit, at the Closing Seller shall deliver to Purchaser all instruments (duly executed and acknowledged) which are required to transfer such letters of credit to Purchaser as the new beneficiary thereunder.
27. information set forth in Schedule "E" attached hereto
28. and all other defaults of which Seller is aware.
29. in the form attached hereto as Exhibit "B"
- 29A. contracts and
30. ("in Seller's possession," for the purposes of this Section 10.10, being deemed to include items in the possession of Seller's managing agent or any other person or entity controlled by Seller)
31. and all other exceptions (other than Permitted Exceptions).
- 31A. A certification of non-foreign status, in form required by the Code Withholding Section, signed under penalty of perjury. Seller acknowledges that such certification will be retained by Purchaser and will be made available to the Internal Revenue Service upon request.
32. in the form attached hereto as Exhibit "C",
33. All consents, approvals, authorizations, resolutions and certificates required by Seller's limited partnership agreement and the agreements, by-laws and other documents and instruments of Seller's constituent partners, in respect of the transactions contemplated in this contract. Seller advised its partners of the sale of the Premises contemplated by this contract and, based solely on the number of "affirmative" written responses received by Seller, has received the requisite number of consents from its limited partners in order to enter into this contract and to sell the Premises as herein provided; however, such limited partner responses do not correctly refer to "Nassau Street Partners" as the name of Seller, but refer to "Nassau Street Associates Limited Partnership". If requested by Purchaser's title company at the Closing, Seller and/or the general partner of Seller will provide an affidavit to such title company which provides (i) that the limited partner responses refer to Seller (although misnamed), (ii) that there are no other partnerships relating to the Premises, of which Seller is aware, having similar names to Seller, (iii) that the limited partnership agreement has not been amended, (iv) that Murray Hill Associates XVI, Inc. is the general partner of Seller and (v) provides a current list of limited partners of Seller. Copies of all written limited partner responses received by Seller have been delivered to Purchaser, together with a copy of Seller's limited partnership agreement. In connection with such limited partner responses, the amount necessary to satisfy the existing mortgage note obligations of Seller is approximately \$6,982,000.
34. (to the extent not paid by a wire transfer)
35. in the form attached hereto as Exhibit "A".
36. transferred
37. (or as Seller may otherwise direct in the case of payments due Seller)
- 37A. electricity or other utilities or services supplied to tenants

38. (or as Seller may otherwise direct in writing to Purchaser prior to the Closing)
39. To the extent Seller is paid any Additional Rent after the Closing for the period on or after the Closing, Seller shall promptly pay same to Purchaser. Such obligation of Seller shall survive the Closing.
- 39A. mortgage(s) currently of record against the Premises or such other mortgages, liens or judgments in specific liquidated amounts filed against the Premises after the date hereof, which shall have been created by the express actions of Seller (and not of any tenant) after the date hereof. With respect to all other title objections raised by Purchaser, Seller shall not be obligated to spend more than \$50,000.00, in the aggregate, to cure any of such objections.
40. Purchaser's title free and clear of
- 40A. except for those indemnities, if any, which specifically survive the Closing.
41. At the Closing, Purchaser may assign this contract without Seller's consent to any affiliate of Purchaser controlled by Purchaser or to a third party, provided the assignee assumes in writing all of Purchaser's obligations under this contract. No such assignment shall release Purchaser from its obligations under this contract.
- 41A. , except as to the provisions of paragraphs 6 and 14 of that certain letter of intent, dated December 30, 1997 (the "Letter of Intent").
- 41B. Purchaser shall deliver to Escrowee the Downpayment in the amount of \$500,000.00 upon the execution of this contract. The Downpayment (together with any supplemental Downpayment which may be delivered to Escrowee in accordance with Insert #47 to Schedule "D", item no. 7) shall, subject to collection, be held in escrow by the Escrowee pursuant to Section 2.05 hereof.
42. Existing
43. Schedule "E" attached hereto
44. provided none of the foregoing render title to the Premises uninsurable.
45. (e) the state of facts shown on the survey of the Premises prepared by Bono Land Surveying, P.C., dated July 30, 1988 and any additional facts an accurate survey, or an update thereof of the Premises may show, provided that such facts do not render title to the Premises uninsurable or unmarketable;  
(f) the Existing Leases;  
(g) All covenants, contracts, liens, restrictions, easements, encumbrances, reservations, consents, departmental reports and agreements and all other matters affecting the Premises of record as of the date hereof, provided that the same do not prevent the use of the Premises for office and educational purposes and do not prohibit the maintenance of the structure currently at the Premises (or that the title insurance company insuring Purchaser's title will insure that such existing structure may remain in its present location so long as same may stand);  
(h) Notes or notices of violations of law or municipal ordinances, orders or requirements noted in or issued by any governmental department having or asserting authority or jurisdiction as to lands, housing, buildings, fire, health, labor or any other condition or matter at or affecting the

Premises, whether or not of record, and any conditions which may give rise to a violation;

(i) Party walls and party wall agreements, if any;

(j) Variations among the record lines of the Premises and fences, driveways and shrubbery and/or between the legal description of the Premises herein and the tax map description;

(k) Printed exceptions and exclusions to title and all other stipulations, provisions, requirements, terms and conditions set forth in the title report to be issued by Purchaser's title insurance company or otherwise contained in any form of policy approved by the New York State Department of Insurance; and

(l) Any other lien, encumbrance, condition or matter of any nature whatsoever as to which Purchaser's title insurance company will insure against collection out of or enforcement against the Premises subject to the provisions of Insert #39A to Section 13.02 hereof and of Section 21(w) hereof.

46. , or by wiring immediately available federal funds,

47. on a date selected by Purchaser upon not less than five (5) business days' notice to Seller, such date to be not earlier than May 1, 1998 nor later than June 30, 1998; provided, however, that Purchaser may extend the date of the Closing to a date not later than July 31, 1998 if Purchaser, prior to June 22, 1998, notifies Seller of such election and, together with such written notice, deposits an additional Two Hundred Ten Thousand (\$210,000) Dollars, as a supplemental Downpayment, with Escrowee, to be held by Escrowee in accordance with the provisions of Section 2.05 hereof.

48. At Escrowee's office or, if Purchaser or an affiliate thereof is a real estate investment trust, at such other office as may be designated by Purchaser's underwriter or other source of Purchaser's financing.

48A. Assessed Value:	\$2,889,000
ICIP Reg. Comml. Ex.:	\$1,799,482
	-----
Taxable Value	\$1,089,518

49. \$50,000.00, except as otherwise provided in Insert #39A to Section 13.02 hereof.

RIDER ANNEXED TO CONTRACT OF SALE  
BETWEEN NASSAU STREET PARTNERS,  
AS SELLER, AND SL GREEN OPERATING  
PARTNERSHIP, L.P., AS PURCHASER

18. Conflict.

In the event of any conflict or inconsistency between the printed provisions of this contract (the "Contract") and the provisions contained in this Rider, the provisions of this Rider shall govern.

19. Other Properties; Conditions of Closing.

(a) Purchaser is also negotiating to purchase the property located at 440 Ninth Avenue, New York, New York (the "Ninth Avenue Property") from Ninth Avenue Associates ("Ninth Associates") and the property located at 38 East 30th Street, New York, New York (the "30th Street Property") from 30th Street Associates ("30th Associates"). The Premises herein, together with the Ninth Avenue Property and the 30th Street Property, are hereinafter collectively referred to as the "Properties" and Seller, together with Ninth Associates and 30th Associates, are hereinafter collectively referred to as the "Sellers". Purchaser's obligation to enter into a contract in respect of any one of the Properties shall be conditioned upon the Sellers tendering a contract for each of the other Properties. The Sellers' obligation to enter into a contract in respect of any one of the Properties shall be conditioned upon Purchaser's execution of contracts for all of the Properties. In no event shall either party be bound to this Contract for the Premises until contracts for the other two Properties have been executed and delivered by the other party.

(b) As a condition precedent to the closing of title under this Contract, this Contract must close simultaneously with the closings of title between (i) Purchaser and Ninth Associates with respect to the Ninth Avenue Property and (ii) Purchaser and 30th Associates with respect to the 30th Street Property. Purchaser acknowledges that if Ninth Associates is unable to sell the Ninth Avenue Property or 30th Associates is unable to sell the 30th Street Property (for reasons other than a wilful default by such selling partnership) or if Purchaser chooses not to purchase any of the Properties, Seller shall not be obligated to sell the Premises to Purchaser pursuant to this Contract or otherwise. Purchaser further acknowledges that a default or breach by Purchaser of any of its obligations or undertakings as set forth in this Contract or in either of the contracts relating to the Ninth Avenue Property or the Nassau Street Property shall be deemed a default or breach of its obligations and undertakings as set forth in all three of said contracts.

20. Purchase Price and Payment.

(a) The purchase price (the "Purchase Price") for the Premises shall be TEN MILLION FIVE HUNDRED THOUSAND and No/100 DOLLARS (\$10,500,000.00). It is expressly acknowledged and agreed that the payment of the Purchase Price and the Closing hereunder is not contingent or conditioned upon Purchaser obtaining financing from any source.

(b) The Purchase Price shall be paid by Purchaser to Seller as follows:

- (i) FIVE HUNDRED THOUSAND and No/100 DOLLARS (\$500,000.00) (the "Downpayment") upon the execution and delivery of this Contract, by check drawn on or by a bank which is a member of the New

York Clearinghouse Association, subject to collection, payable on its face to the order of Escrowee (as defined herein), or by wire transfer at Purchaser's option in accordance with Escrowee's wiring instructions, to be held in escrow pursuant to Section 2.05 hereof. The Downpayment shall be non-refundable to Purchaser unless the sale of the Premises pursuant to this Contract does not close for any reason other than Purchaser's default; and

- (ii) TEN MILLION and No/100 DOLLARS (\$10,000,000.00) at the Closing, plus or minus adjustments or credits as hereinafter provided.

21. Additional Representations and Warranties of Seller.

- (a) Seller represents and warrants to Purchaser as follows:

Schedule "E" attached hereto accurately sets forth (a) all agreements in force on the date hereof for the use, lease or occupancy of space in or at the Building (whether or not the terms hereof have commenced) to which Seller, its affiliates or designees are a party or are bound as landlord or to which any part of the Building is subject, (b) all subleases in force on the date hereof for the use, lease or occupancy of space in or at the Building (whether or not the terms thereof have commenced) to which any tenant under an Existing Lease is a party or is bound as sublandlord, and (c) all other tenancies or subtenancies in the Premises not arising out of the agreements or the subleases referred to in clauses (a) and (b) above, affecting the Premises on the date hereof (the agreements and subleases referred to in said clauses (a) and (b), together with all amendments and modifications thereof, and all of the tenancies and subtenancies referred to in clause (c) above are collectively referred to as the "Existing Leases," and all tenants, subtenants or other occupants of space pursuant to an Existing Lease are hereinafter collectively referred to as "Existing Tenant(s)"). Seller is not a party to any sublease for the use, lease or occupancy of space in or at the Building (whether or not the term thereof has commenced). The data set forth on said Schedule "E" with respect to each Existing Lease includes an accurate statement of the name of each Existing Tenant, the space demised, the lease, sublease or tenancy expiration date, the security deposits and the base annual rent and additional rent currently payable. To the best of Seller's knowledge, no person or entity has or claims any right to possess the Premises or any part thereof except for the Existing Tenants shown in said Schedule "E". True and complete copies of all the Existing Leases and all guaranties and other documents, agreements and instruments relating thereto have been delivered to Purchaser but, for purposes of this Contract, Purchaser may rely on the data set forth in said Schedule "E". Except as otherwise set forth in said Schedule "E" or in the Existing Leases, to be best of Seller's knowledge:

- (i) each of the Existing Leases is in effect and has not expired or been terminated; Seller has neither given nor received any notice of default with respect to any Existing Lease that remains uncured; to the best knowledge of Seller, neither Seller, nor any of the other parties thereto are in default of any of their obligations under any of the Existing Leases; and none of the Existing Leases has been modified, amended or extended;

- (ii) to the best of Seller's knowledge, all Existing Tenants are in possession of the spaces leased by them;
- (iii) the rents and any Additional Rents reserved under each of the Existing Leases and shown in said Schedule "E" are legal rents and no claim to the contrary has been asserted by any Existing Tenant, and the rents and Additional Rents shown on said Schedule "E" are actually being paid by the Existing Tenants, and there are no arrearages in excess of one (1) month of any base, minimum or fixed rent (as opposed to any Additional Rent);
- (iv) no Existing Tenant has paid rent for more than one (1) month in advance;
- (v) no Existing Tenant has claims or is entitled to free rent, rent concessions, rebates or rent abatements;
- (vi) no Existing Tenant claims or is entitled to any set-offs or offsets against rent;
- (vii) no Existing Tenant occupies any space rent free;
- (viii) no space has been rented furnished;
- (ix) all work previously required to be performed by the landlord under the Existing Leases or otherwise has been completed and fully paid for;
- (x) no Existing Tenant is contesting its pro-rata share of taxes, operating expenses or maintenance increases shown in said Schedule "E" or their obligations to pay cost-of-living increases or any other Additional Rent as required by its Existing Lease;
- (xi) except pursuant to an assignment of leases and rents granted by Seller to its fee mortgagee, Seller has assigned none of its rights under the Existing Leases;
- (xii) no Existing Tenant has an option to renew its lease not provided in its Existing Lease and no other party has any option, right of first refusal or other preferential right to purchase the Premises or any part thereof;
- (xiii) no action or proceeding instituted against Seller by any Existing Tenant, or by any Existing Tenant against Seller, is presently pending in any court or other judicial or administrative venue, nor has Seller received any written notices or demands with respect thereto;
- (xiv) no representation or covenant has been made by Seller to any Existing Tenant except as incorporated in its Existing Lease and all representations made by Seller in the Existing Leases and in all other documents, agreements and instruments relating thereto are true and correct in all material respects;
- (xv) no Existing Lease allows the space demised thereunder to be leased or otherwise used for any



purpose which is prohibited by a restrictive covenant contained in any other Existing Lease;

(xvi) any consents or notices required to be obtained or given under the terms of any Existing Lease in connection with this transaction have been obtained or given, as the case may be;

(xvii) there are no security deposits other than those set forth in said Schedule "E"; and

(xviii) there are no outstanding obligations of Seller with respect to any space previously leased or otherwise occupied by an Existing Tenant at a location other than at the Building.

(b) Annexed hereto as Schedule "H" and made a part hereof is a list of all service, maintenance and supply contracts (collectively, "Service Contracts") relating to the Premises and all deposits of Seller held by utility companies and other persons and entities who supply goods or services in connection with the operation of the Property, and the information set forth therein is accurate as of the date hereof. If Seller has delivered a notice of termination to the vendor under any Service Contract pursuant to Section 9.02 hereof, Seller, at the Closing, shall deliver a copy of such notice to Purchaser.

(c) With respect to any contracts referred to in Schedule "G" (payroll schedule) or Schedule "H", if there are any pending negotiations with any union or Service Contract holder which may involve retroactive increases in pay or rates, Seller agrees to reimburse Purchaser for the amount thereof with respect to any period through the date of the Closing, even though the increases may be effected after the date of the Closing.

(d) To the best knowledge of Seller: (i) the use being made of the Premises at present is in conformity with the certificate of occupancy issued for the Premises; (ii) all required certificates and permits of such type, including, without limitation, underwriters certificates relating to electrical work, and all other building, housing, safety, fire and health certificates, approvals and permits have been issued, are in full force and effect and (except as otherwise indicated thereon) are transferable with the Premises or to Purchaser without payment; (iii) the Premises and the present use and condition thereof do not violate any deed restrictions, zoning or subdivision regulations, or urban redevelopment plans applicable to the Premises, as modified by any duly issued variances; and (iv) no action or proceeding relating to the foregoing is pending or threatened with respect to the Premises.

(e) To the extent that an assessment that is payable in installments becomes a lien on the Premises on or before the Closing, the assessment shall be adjusted based upon the period covered thereby or, if no period is specified, upon the due date thereof.

(f) All brokerage commissions payable by reason of the Existing Leases and/or renewals, elections not to terminate, extensions of Existing Leases or options to lease additional space or otherwise with respect to leasing transactions have been fully paid or will be paid when due by Seller, except only that (i) any brokerage commissions payable by reason of New Leases (as defined in Article 22 hereof) permitted pursuant to Article 22 hereof, which are made or entered into

on or after the date of this Contract, shall be apportioned between the parties based upon the rent collectible by each party and shall be payable by Purchaser and (ii) Seller and Purchaser shall apportion any brokerage commissions payable by reason of renewals or extensions of Existing Leases or options to lease additional space exercised after the Closing pursuant to the applicable Existing Lease provisions based upon the period commencing on the rent commencement date of any such renewal or extension and ending on the expiration date of any such renewal or extension. From and after the date hereof until the Closing, Purchaser shall be the sole leasing broker for the Premises and shall have the right to charge leasing commissions at standard industry rates.

(g) To the best of Seller's knowledge, all construction reimbursements, tenant improvement allowances and similar payments to be made by the landlord under the Existing Leases have been paid in full or will be paid in full prior to the Closing.

(h) To the best of Seller's knowledge, the description of the Personal Property is accurate as of the date hereof and will be accurate as of the date of the Closing, subject to disposal and/or replacement of such property in the ordinary course of business.

(i) There is no litigation pending or, to the best knowledge of Seller, threatened against Seller, the Premises or the transactions contemplated by this Contract. To the best of Seller's knowledge, there is no proceeding (zoning or otherwise) or governmental investigation pending or threatened against or relating to Seller, the Premises or the transactions contemplated by this Contract, nor, to the best knowledge of Seller, is there any basis for such action.

(j) Seller has not received written notice of any default or breach by Seller under any of the covenants, conditions, restrictions, rights of way or easements affecting the Premises or any portion thereof; to the best knowledge of Seller, no such default or breach now exists; and, to the best knowledge of Seller, no event has occurred and is continuing which with notice and/or the passage of time would constitute a default thereunder.

(k) No work has been performed or is in progress at, and no materials have been furnished to, the Premises or any portion thereof for which Seller is responsible and which, though not at present the subject of, might give rise to, mechanic's, materialmen's or other liens against the Premises or any portion thereof.

(l) To the best knowledge of Seller, there are no outstanding requirements or recommendations by any insurance company that issued a policy with respect to the Premises or any part thereof, or by any Board of Fire Underwriters or other body exercising similar functions, requiring or recommending any repairs or work to be done on or to the Premises.

(m) This Contract has been duly and validly authorized, executed and delivered by Seller and Seller has full power and authority to consummate the transactions contemplated hereby, and the Closing will not constitute a breach or violation of any contract or instrument to which Seller is a party, or by which it or any of its assets are subject or bound, or any judgment, order, writ, injunction or decree issued against or imposed upon it, or will result in a violation of any applicable law, order, rule or regulation of any governmental authority.

(n) No person or entity has an option, right of first refusal or other preferential right to purchase the Premises or any part thereof.

(o) No Existing Tenant has executed or delivered to Seller any promissory notes or other instruments pursuant to which an Existing Tenant is indebted to its landlord, and Seller does not own and is not holding any such notes or other instruments.

(p) True and complete copies of all Service Contracts and any and all other instruments, documents and agreements recited in this Contract (other than documents to be executed and delivered at the Closing), and all amendments to all of the foregoing, have been delivered to Purchaser.

(q) Seller (i) is a New York limited partnership validly existing in the State of New York, (ii) owns the fee interest in the Premises and (iii) has good and marketable title to the Personal Property.

(r) To the best of Seller's knowledge, no fact or condition exists which would result in the termination or impairment of access to the Premises or the discontinuation of necessary sewer, water, electric, gas, telephone or other utilities or services to the Premises.

(s) To the best of Seller's knowledge, Seller has filed with all of the applicable governmental authorities having jurisdiction over the Premises, all statements, affidavits, documents and other instruments with respect to the Premises and the operation and use thereof that are required to be filed by applicable laws, rules, regulations, and ordinances.

(t) No air rights or development rights appurtenant to the Premises have been conveyed, transferred, granted or licensed to any third party.

(u) To the best of Seller's knowledge, neither Seller, nor to Seller's knowledge, any other person has ever caused or permitted any Hazardous Substance (hereinafter defined) to be placed, located, spilled or otherwise disposed of on under or at the Premises or any part thereof in violation of any Environmental Laws (hereinafter defined), excluding materials used in the maintenance and operation of the Premises, such as cleaning materials. There is not now pending, nor has Seller received any notice of any threatened, investigation, action or proceeding against Seller or the Premises seeking to enforce any right or remedy under any Environmental Laws. "Hazardous Substance" shall mean any material or substance governed or regulated or defined under any local, state or Federal law, rule ordinance, code, regulation, order or decree regulating, relating to or imposing liability or standards of conduct with regard to hazardous, toxic or dangerous waste, substances or materials or regulating or governing air or water quality, the environment or environmental, health safety or hygiene ("Environmental Laws").

(v) All of the representations, warranties and agreements set forth in Article 4 hereof and elsewhere in this Contract, all Exhibits and Schedules annexed hereto, or in any letter or certificate furnished to Purchaser pursuant hereto, each of which is incorporated herein by reference and made a part hereof, shall be true upon the execution of this Contract and shall be deemed repeated on and as of the date of the Closing. No such representation or warranty shall omit to state a material fact necessary to make the statements contained therein not misleading. From time to time between the date of

this Contract and the Closing, to the extent that any of Seller's representations or warranties set forth in this Contract changes or becomes inaccurate, Seller shall so notify Purchaser.

(w) Without limiting any of the rights of Purchaser elsewhere provided for in this Contract, it is agreed that the obligation of Purchaser to close under this Contract is conditioned upon, and shall be subject to, the accuracy, truthfulness and completeness of all of Seller's representations and warranties in all material respects, and the due compliance by Seller of all of its agreements set forth in Article 4 hereof and elsewhere in this Contract. If, at the Closing, any of Seller's representations or warranties are determined to be inaccurate, untrue or incomplete in any material respect, then Purchaser may elect to terminate this Contract by notice given to Seller in addition to any other remedy specifically provided herein. If this Contract is so terminated, Seller shall promptly cause the Downpayment to be refunded to Purchaser, with all interest earned thereon, and Seller shall promptly pay the cost of any survey obtained. Upon such refund and payment, this Contract shall terminate and neither party to this Contract shall have any further rights or obligations hereunder other than any arising under Article 14 hereof. Notwithstanding anything to the contrary contained in the preceding sentence, if on the date scheduled for Closing any of Seller's representations or warranties are determined to be inaccurate, untrue or incomplete in any material respect, Seller shall have the same sixty (60) days (as opposed to an additional sixty (60) days, as provided in Section 13.01 hereof), to adjourn the Closing to correct the underlying facts of the representations or warranties in question. For the purposes of this Section, if, at the Closing, any of Seller's representations or warranties are inaccurate, untrue or incomplete in any respect, and the resulting cost, expense and/or damages that Purchaser may incur, pay or be liable for as a result of such inaccuracy, untruthfulness or incompleteness is reasonably determinable and quantifiable at the Closing and is, at the Closing determined to be, and quantified at, \$25,000.00 or less in the aggregate, then such inaccuracy, untruthfulness or incompleteness shall be deemed not material. If such quantified amount in the aggregate is greater than \$25,000.00 but less than \$50,000.00, and any such inaccurate, untrue or incomplete representation or warranty of Seller can be made accurate, true or complete with the payment of money on or prior to the Closing, Seller shall be obligated to spend such amount in order to correct or complete such representation and/or warranty on or prior to the Closing. Any amount incurred by Seller in connection with the foregoing curative action shall be deducted from and reduce the \$50,000.00 Maximum Expense of Seller set forth in Schedule "D", item no. 14. Under no circumstances shall Seller be obligated to spend more than \$50,000.00, in the aggregate, to cure any matter(s) set forth in this Contract and/or relating to the Premises (except as otherwise specifically provided in Insert #39A to Section 13.02 hereof and in Section 22(c) hereof), whether before, on or after the date of the Closing.

In connection with the foregoing, at the Closing, Seller shall deposit (from the proceeds of the Purchase Price) the sum of \$50,000.00 less any amount incurred by Seller in reduction of the \$50,000.00 Maximum Expense set forth in Schedule "D", item no. 14 (the "Rep/Warranty Reserve"), in escrow with Greenberg Traurig Hoffman Lipoff Rosen & Quentel, P.C. ("GTHLR&Q") in order to secure Seller's obligations to cure or correct, on or after the Closing, any inaccurate, untrue or incomplete material representation or warranty of Seller (which is

specifically provided in Article 26 hereof to survive the Closing and for the specific survival period therein provided), as expressly set forth above in this Section 21(w). The Rep/Warranty Reserve shall be held in one or more interest-bearing escrow accounts of GTHLR&Q for a period commencing on the date of the Closing and expiring on the earlier to occur of (i) six (6) months after the date of the Closing or (ii) December 15, 1998 ("Reserve Period I"). Proceeds from the Rep/Warranty Reserve shall be released by GTHLR&Q and used by Seller, following Seller's and Purchaser's written direction to GTHLR&Q, for the foregoing purposes. At the expiration of Reserve Period I, GTHLR&Q shall notify Seller and Purchaser in writing of GTHLR&Q's intention to release the unapplied balance of the Rep/Warranty Reserve to Seller; if Purchaser does not object to such release in writing to GTHLR&Q within five (5) business days after receipt of such notice from GTHLR&Q, GTHLR&Q shall release the proceeds of such Rep/Warranty Reserve (or that portion thereof not contested by Purchaser) to Seller. All interest earned on the Rep/Warranty Reserve shall be paid to Seller.

Notwithstanding any provision in this Contract to the contrary, (i) the foregoing provisions of this Section 21(w) shall not affect or extend any of the survival periods, if any, set forth in Article 26 hereof (and shall not create any survival period not set forth in said Article 26) and (ii) the Rep/Warranty Reserve shall not be used to cure, satisfy or address any matter relating to "Rent Claims" or other matters covered by the "Rent Reserve" in accordance with Section 22(c) hereof unless, and to the extent that, a Rent Claim relates specifically to an Article 21 representation or warranty which relates specifically to the substance of such Rent Claim. The provisions of this Section 21(w) shall survive the Closing.

GTHLR&Q shall be afforded the same protections of Escrowee provided in Section 2.05 hereof with respect to the Rep/Warranty Reserve.

22. Seller's Obligations Under Leases

(a) Attached hereto as Schedule "M" are the leasing criteria for new leases (the "Leasing Criteria"), acceptable to Seller and Purchaser. All such leases entered into between the date of this Contract and the Closing by Seller, as landlord, are herein referred to as the "New Leases", except that Seller's right to enter into New Leases is subject to Section 22(b) hereof. Within two (2) business days after Seller enters into a New Lease, or immediately prior to the Closing (if the New Lease is entered into within two (2) business days prior to the Closing), Seller shall deliver to Purchaser an updated Schedule "E" setting forth, with respect to each New Lease, all of the information provided for in said Schedule "E". For the purposes of the representations, warranties, covenants and conditions set forth in this Contract, immediately upon Seller's entering into a New Lease, such New Lease shall be deemed an Existing Lease, except that all of the representations and warranties that are made as of the date of this Contract shall be deemed to have been made as of the date of the New Lease. (For the purposes of this Contract, the Existing Leases and all New Leases, if any, are herein referred to, collectively, as the "Leases.") In addition, from time to time between the date of this Contract and the Closing, to the extent that any of the information set forth in the said Schedule "E" changes with respect to an Existing Lease or a New Lease, or if any of the representations or warranties set forth in this Contract with respect to a Lease

changes or becomes inaccurate, Seller shall so notify Purchaser.

(b) If Purchaser wishes to enter into a New Lease prior to the Closing, it has the authority to enter into such lease as authorized leasing agent of Seller provided the Leasing Criteria is satisfied in all material respects with respect to such New Lease. Notwithstanding anything to the contrary set forth in this Contract, if Seller wishes to enter into a New Lease prior to the Closing, Seller shall notify Purchaser of same in writing. Within three (3) business days after receipt of Seller's written notice of such proposed New Lease (which notice shall set forth the name and address of the proposed Tenant, the terms of such New Lease and the New Lease Expenses (as hereinafter defined)), Purchaser shall advise Seller in writing whether it consents to such New Lease. Purchaser shall have the right to reject such New Lease if the Leasing Criteria is not satisfied in Purchaser's reasonable judgment. If Purchaser rejects a New Lease pursuant to which the Leasing Criteria has been satisfied in Seller's reasonable judgment, then, at the Closing, Purchaser shall pay to Seller all rental and other income which Seller would have been entitled to receive pursuant to such New Lease (from the rent commencement date of the New Lease until the date of the Closing) as if such New Lease had been executed and delivered by Seller and the proposed Tenant.

Notwithstanding anything to the contrary set forth in this Contract, from and after the date hereof, Purchaser shall be solely responsible for, and shall be the exclusive leasing agent with respect to, any New Leases and may, without the consent of Seller, enter into any New Leases and brokerage commission agreements (which shall expressly provide that such brokers shall look only to the landlord with respect to payment of such commissions) provided the Leasing Criteria is met in all material respects.

A New Lease, where applicable, may require the landlord to pay outside real estate brokerage commissions and the cost of tenant improvements ("New Lease Expenses"). All New Lease Expenses shall be funded from the three (3) Downpayments, to the extent available, delivered on this date (and as may be supplemented at a future date in accordance with Insert #47 to Schedule "D", item no. 7) to Mandel & Resnik P.C. ("Escrowee") in connection with this Contract, the contract with respect to the Ninth Avenue Property and the contract with respect to the 30th Street Property (collectively, the "Combined Downpayment"). As funds are required to be paid for New Lease Expenses prior to the Closing, such funds shall be disbursed from the Combined Downpayment pursuant to specific written instructions signed and delivered from both Purchaser and Seller to Escrowee, and such parties hereby authorize Escrowee to release and disburse any portion of the Combined Downpayment in accordance with such instructions.

At the Closing, all New Lease Expenses shall be assumed by Purchaser and any amount disbursed from the Combined Downpayment in connection therewith shall be added to the balance of the Purchase Price payable by Purchaser at the Closing. If the Closing does not occur due to a default by Purchaser, Purchaser shall pay to Seller (not later than ten (10) days after the scheduled date of the Closing) the amount of any New Lease Expenses disbursed from the Combined Downpayment, and such amount shall be deemed to be part of the liquidated damages due to Seller pursuant to Article 2 hereof. If the Closing does not occur due to any reason other than Purchaser's default hereunder, Seller shall deliver to Escrowee (not later than ten (10) days after the scheduled

date of the Closing) a sum equal to the amount disbursed from the Combined Downpayment on account of New Lease Expenses. It is the intention of Purchaser and Seller that, on the date of the Closing, the entire Combined Downpayment shall equal (exclusive of interest earned) the aggregate amount originally delivered (and any amounts subsequently delivered in accordance with Insert #47 to Schedule "D", item no. 7) by Purchaser to Escrowee in connection with this Contract and the contracts relating to the Ninth Avenue Property and the 30th Street Property.

(c) Notwithstanding anything to the contrary set forth in this Contract, Seller shall be responsible for any and all quantifiable overcharges or other quantifiable unperformed or improperly performed obligations of Seller, as landlord, with respect to rent, rent rebates, additional rent, rent adjustments, rent concessions, offsets or setoffs, escalations, services, utilities or other improper charges or unperformed or improperly performed obligations to tenants at the Premises claimed or asserted by such tenants if such claims or assertions (i) after investigation by Purchaser and Seller, are verified (and any amounts payable are quantified, and such amounts are determined to be payable in accordance with the applicable leases) by both Purchaser and Seller, in writing, in their reasonable judgment, (ii) are made by such tenants prior to December 15, 1998 and (iii) relate to any period prior to the date of the Closing (collectively, "Rent Claims"). In connection therewith, Seller shall deposit the sum of \$25,000.00 (the "Rent Reserve") with GTHLR&Q at the Closing to secure Seller's obligations to pay and be responsible for approved Rent Claims which shall have resulted or will result in any rent rebates, rent adjustments, rent concessions, offsets or setoffs by landlord in favor of tenants at the Premises after the date of the Closing. The Rent Reserve shall be held in one or more interest-bearing escrow accounts of GTHLR&Q for the period coterminous with Reserve Period I ("Reserve Period I"), to be used or needed to pay Purchaser or any tenants for such approved Rent Claims. At the expiration of Reserve Period II, GTHLR&Q shall notify Seller and Purchaser in writing of GTHLR&Q's intention to release the unapplied balance of the Rep/Warranty Reserve to Seller; if Purchaser does not object to such release in writing to GTHLR&Q within five (5) business days after receipt of such notice from GTHLR&Q, GTHLR&Q shall release the proceeds of such Rent Reserve (or that portion thereof not contested by Purchaser) to Seller. All interest earned on the Rent Reserve shall be paid to Seller.

GTHLR&Q shall be afforded the same protections of Escrowee provided in Section 2.05 hereof with respect to the Rent Reserve.

(d) At the Closing, the sum of One Hundred Fifty Thousand (\$150,000) Dollars shall be credited against the Purchase Price and deposited by Purchaser with Escrowee (the "FEGS Deposit"). The FEGS Deposit shall be held by Escrowee in accordance with Section 2.05 hereof and shall be released by Escrowee upon the following terms and conditions:

(i) If within one (1) year following the date of the Closing, the existing lease with Federation Employment and Guidance Services, Inc. ("FEGS") is renewed by Purchaser (or its successor-in-interest), Purchaser (or its successor-in-interest) shall receive the FEGS Deposit from Escrowee; or

(ii) If within one (1) year following the date of the Closing, the existing lease with FEGS is not renewed for

any reason whatsoever, Seller shall receive the FEES Deposit from Escrowee.

Either party may provide written notice to both Escrowee and the other party of its claim to the FEES Deposit, and if Escrowee receives no written objection thereto from the other party within ten (10) business days after Escrowee's and the other party's receipt of such notice, Escrowee shall promptly deliver the FEES Deposit to the party demanding same and thereupon Escrowee shall be released from all obligations or liability in connection therewith.

If there is a dispute between the parties with respect to any matter relating to the FEES Deposit or the rights of the parties to the receipt of the FEES Deposit, or if for any other reason Escrowee in good faith shall elect not to release and distribute the FEES Deposit to either of the parties, Escrowee shall have the right to hold the FEES Deposit until otherwise directed by written instructions from both parties or by a final judgment of a court (pursuant to the provisions of Section 2.05 hereof). Purchaser and Seller acknowledge that, with respect to the FEES Deposit, Escrowee shall be entitled to all of the rights and protections afforded to it in said Section 2.05.

(e) The provisions of this Article 22 shall survive the Closing.

23. Additional Covenants of Seller.

(a) Seller shall provide or cause to be provided all such services with respect to the Premises and the tenants that are now required to be provided or currently are being provided.

(b) Seller shall maintain and keep the Premises, including mechanical equipment of every kind used in the operation thereof, in a condition at least as good as its present condition so that the same shall be in a condition at least as good as its present condition on the date of the Closing, reasonable wear and tear excepted, and Seller shall not enter into any contracts, agreements or arrangement, including Service Contracts, or extend or modify any existing contracts, agreements or arrangements, including Service Contracts, which may affect the Premises in any manner whatsoever (other than with respect to New Leases as herein provided), without Purchaser's prior consent.

(c) No Personal Property included in this sale shall be removed from the Premises unless the same are replaced with similar items of at least equal quality prior to the Closing.

(d) If the landlord under any Lease or Tenancy has an obligation, whether accrued or contingent, to reimburse the tenant under such Lease or Tenancy, whether by way of payment or rent credit, for any expenses incurred by such tenant, Seller shall pay to Purchaser an amount equal to such payment or credit for reimbursable expenses at the Closing, provided such expenses were or are to be incurred by such tenant prior to or after the date of the Closing. Prior to the Closing, Seller shall perform and comply with all obligations and provisions to be performed and complied with by the tenant under any take-over leases entered into in connection with the leasing of the Premises, and Seller shall indemnify Purchaser against and hold Purchaser harmless from all losses, damages, liabilities and expenses (including, without limitation, reasonable attorneys' fees and disbursements) suffered or incurred by Purchaser as a result of Seller's failure to perform and comply with such obligations and provisions.



(e) Prior to the Closing, Seller shall make all books and records (including tenant files) relating to the ownership and operation of the Premises available to Purchaser and its accountants, attorneys and other representatives, and, upon reasonable prior notice at reasonable times, shall permit Purchaser's accountants, attorneys and other representatives to examine, audit and make copies of the same, at Purchaser's sole cost and expense. Prior to the Closing, Seller shall cooperate with Purchaser's accountants, attorneys and other representatives, shall allow such persons to make extracts from the aforesaid books and records and shall respond fully and candidly to inquiries made by such accountants, attorneys and other representatives.

(f) After the date hereof, Seller shall request that, at the Closing, the holder of Seller's mortgage note and mortgage, upon receipt of full pay-off proceeds, assign such documents to Purchaser's designee. Seller agrees to reasonably cooperate with Purchaser and such lender in connection with the foregoing.

24. Failure of Seller to Perform

Except for a willful default by Seller, if Seller is unable for any reason to satisfy the conditions to Closing set forth herein, the sole remedy of Purchaser hereunder shall be the return of the Downpayment and the payment by Seller to Purchaser of the "net cost of title examination" and the cost of updating the survey for the Premises, Purchaser hereby waiving any right or claim for damages or specific performance and the right to file a lis pendens against the Premises. If Purchaser believes that any of the Sellers has willfully defaulted under any of the three contracts described in Article 19 hereof and if Purchaser elects to commence an action against such selling partnership for specific performance with respect to the particular contract executed by such selling partnership, Purchaser must commence such action, and diligently prosecute the same, against all three of the Sellers with respect to all three of the Properties in one consolidated proceeding. If Purchaser discontinues such action at any time, Purchaser must release all three of the Sellers and their respective Properties, with prejudice, therefrom.

25. Notices

Except as otherwise expressly permitted in this Contract, all notices, demands, approvals, consents, requests and other communications which under the terms of this Contract, or under any statute, must or may be given or made by the parties hereto, must be in writing, and must be made either (i) by depositing such notice in the registered or certified mail of the United States of America, return receipt requested, or (ii) by delivering such notice by a commercial courier, which courier provides for delivery with receipt guaranteed, or (iii) by hand delivery, addressed to each party as follows:

If to Purchaser: at the address set forth on the first page of this Contract, Attention: Benjamin P. Feldman, Esq.

With a copy to: Greenberg Traurig Hoffman Lipoff  
Rosen & Quentel, P.C.  
Attention: Paul R. Alter, Esq.  
200 Park Avenue  
New York, New York 10166

If to Seller: at the address set forth on the

first page of this Contract,  
Attention: Mr. Michael Green

With a copy to: Mandel & Resnik P.C.  
Attention: Barry H. Mandel, Esq.  
220 East 42nd Street - 20th Floor  
New York, New York 10017

If to Escrowee: Mandel & Resnik P.C.  
Attention: Barry H. Mandel, Esq.  
220 East 42nd Street - 20th Floor  
New York, New York 10017

All notices, demands, approvals, consents, requests and other communications shall be deemed to have been delivered (i) if mailed as provided for in this Article, on the date which is three (3) business days after mailing or (ii) if sent by commercial courier, on the date which is one (1) business day after dispatching, or (iii) if sent by hand delivery, on the date of such delivery or refusal to accept same. Either party may designate by notice in writing given in the manner herein specified a new or other address to which such notice, demand, approval, consent, request or other communication shall thereafter be so given or made. A notice given by counsel for Seller or Purchaser shall be deemed a valid notice if addressed and sent in accordance with the provisions of this Article.

26. Survival.

Except as otherwise provided in this Contract, no representations, warranties, covenants or other obligations of Seller set forth in this Contract shall survive the Closing, and no action based thereon shall be commenced after the Closing. The representations, warranties, covenants and other obligations of Seller set forth in Sections 6.01, 6.02, 21(a) and 21(k) hereof shall survive the Closing for ninety (90) days, and no action based thereon shall be commenced after the last day of such ninety (90) day period. Notwithstanding anything contained in this Contract to be contrary, (i) the covenants and obligations of Seller set forth in Sections 9.05, 12.03, 14.01, 21(c), 21(f), 21(g) and 23(d) hereof shall survive the Closing indefinitely, subject to applicable statutes of limitation, and (ii) with respect to Section 21(k) hereof, the survival of Seller's representation for 90 days shall be limited to any liens filed or to be filed against the Premises resulting from work caused to be performed by Seller (and for which no tenant is responsible).

27. Miscellaneous Provisions.

(a) Supplementing Section 17.06 hereof, the submission of this Contract for examination shall not bind Seller in any manner or be construed as an offer to sell, and no contract or obligation of Seller or Purchaser shall arise until this instrument is executed and delivered by both Seller and Purchaser and the Downpayment has been received and collected by Escrowee.

(b) At or prior to the Closing, Seller shall deliver an estoppel certificate (in the form annexed hereto as Exhibit "D") duly executed and delivered by each of the Existing Tenants listed on Schedule "L" hereto or, if Seller is unable to obtain and deliver such estoppel certificate from one or more of such tenants, Seller shall execute and deliver such estoppel certificate(s) in its name. Each such estoppel certificate delivered by each of the Existing Tenants shall be

dated not earlier than April 1, 1998 and Seller's estoppel certificate(s) shall be dated not earlier than five (5) business days prior to the date of the Closing. In addition, Seller shall submit such estoppel certificate to all other tenants of the Building. Seller shall use its reasonable efforts to have all tenants complete, execute and deliver such estoppel certificate to Purchaser prior to the Closing; however, a tenant's failure or refusal to execute and return an estoppel certificate (in the form of Exhibit "D") or a tenant's modification of or supplement to the text of such estoppel certificate (which has been executed and returned by such tenant), shall not be deemed a default by Seller under this Contract or entitle Purchaser to terminate this Contract provided that Seller has delivered, at the Closing, substitute estoppel certificate(s) in its name as provided above.

(c) Prior to the Closing, Seller, at Seller's election, may convert the within transfer of title to the Premises to a tax free exchange under Section 1031 of the Internal Revenue Code, provided that such tax free exchange in no way delays the Closing under this Contract. If Seller so elects, Purchaser, at no cost or expense to Purchaser, shall cooperate with Seller in effectuating said tax free exchange, and Seller shall indemnify and hold Purchaser harmless from and against any and all costs, expenses, damages and liabilities incurred or paid by Purchaser in connection therewith, Seller's obligation under this Section surviving the Closing.

(d) Except as otherwise specifically set forth herein, Seller has not made and does not make, and Seller has not authorized any other party to make, any representations or other statements whatsoever as to: the use, convertibility for other use, occupancy, physical condition (including, without limitation, the presence or absence of hazardous materials in, on or about the Premises), market value, state of repair, gross or net income derived from the Premises, expenses of operation (including, without limitation, taxes assessed against the Premises), or any other matter or thing affecting or relating to the Premises or the fixtures and items of Personal Property included in this sale and Purchaser hereby expressly acknowledges that no such representations or other statements have been made by or on behalf of Seller.

(e) Neither party shall record this Contract or any memorandum hereof. Any such filing or recordation shall be null and void ab initio. Further, any attempt by Purchaser to record this Contract as aforesaid shall be a default of Purchaser hereunder and thereupon, at Seller's option, this Contract shall be deemed terminated and Seller shall have any and all remedies for the default of Purchaser as provided herein.

(f) For the purposes of this Contract, all representations and warranties made by Seller shall be based upon the actual knowledge of Mr. Norman Sturmer and/or Mr. Neil Siderow.

28. Inspection

Purchaser has caused or has waived the right to cause a full and complete inspection to be made of the Premises and the Personal Property, as well as a thorough investigation regarding all matters and things relating to the Premises, including all environmental matters relating thereto. Except as otherwise set forth in this Contract, Purchaser shall take title to the Premises and any fixtures and items of Personal Property being sold therewith "AS IS" and "WHERE IS" as of the date hereof, subject to any and all conditions and defects of any nature whatsoever (including, without limitation,

structural, environmental, latent and other conditions or defects) which may now or hereafter exist.

29. Risk of Loss

Supplementing the provisions of Article 8 hereof, the risk of loss shall be on Seller until the Closing and thereafter it shall be assumed by Purchaser. In the event of a fire or other casualty or condemnation of a material nature occurring prior to the Closing, Purchaser shall have the option of either terminating this Contract or acquiring the Premises with an abatement in the Purchase Price in an amount equal to the insurance proceeds paid in respect of the damages sustained to the Premises.

30. Management

Seller shall cancel, on or before the date of the Closing, any and all management agreements applicable to the Premises and such cancellation shall be a condition precedent to Purchaser's obligation to purchase the Premises.

31. Rent Arrears

As to prior rent arrears, Purchaser shall receive the first rents from tenants in arrears as a trust fund for prompt remission to Seller in payment of such tenant's arrears. However, if a court of competent jurisdiction shall have finally determined that any tenant in arrears is entitled to a rent abatement with respect to any portion of prior rent arrears, the payment due to Seller pursuant to the immediately preceding sentence shall be appropriately adjusted. The provisions of this Article shall survive the Closing.

32. Termination of Tenancies

(a) If any tenant shall fail to comply with the provisions of any lease or other agreement affecting the Premises, or any part thereof, prior to the Closing, Seller shall have the right to commence summary proceedings against such tenant(s) in the event of non-payment of rent, and to prosecute such proceedings to money judgment (but not a judgment of possession) after the Closing (with Purchaser's cooperation, at no cost to Purchaser if such action relates to unpaid rents due exclusively to Seller for any period(s) prior to the Closing).

(b) Seller makes no representation and assumes no responsibility with respect to continued occupancy of the Premises or any part thereof by any tenant or tenants now in possession. Prior to the Closing, (i) Seller shall not settle any suit, action or proceeding commenced to enforce the collection of rents or Additional Rents due Seller from past, present or future tenants of the Building without obtaining Purchaser's prior consent (which consent shall not be unreasonably withheld or delayed) if such settlement would materially adversely affect Purchaser's rights, after the Closing, in any respect; and (ii) Seller shall be entitled, but not obligated, to enforce the rights under any lease or any tenancy by summary proceedings or otherwise; however, Seller shall not terminate any lease without Purchaser's prior consent.

33. Title Objections.

Purchaser shall order a title report and a full lien and municipal search with respect to the Premises promptly upon execution of this Contract, and shall instruct its title

company to deliver a copy of the title report and all title documents and title updates and continuations to be delivered to Mandel & Resnik P.C., 220 East 42nd Street - 20th Floor, New York, New York 10017, Attention: Barry H. Mandel, Esq., at the time such documents and information are delivered to Purchaser and/or its counsel. All objections to title must be submitted by Purchaser in writing to Mandel & Resnik P.C. promptly following Purchaser's receipt of a title report and each title update or continuation, but not less than ten (10) days prior to the date of the Closing set forth herein. All objections not so submitted to Seller's counsel shall be deemed waived by Purchaser, except with respect to any matters of title initially disclosed to Purchaser and Seller within such 10-day period (in which event any objections to title shall be communicated to Seller's counsel not later than the second business day following receipt, so long as such second business day precedes the date of the Closing). Any attempt by Seller to cure an objection shall not be construed as an admission by Seller that such objection is one which would give Purchaser the right to cancel this Contract.

NASSAU STREET PARTNERS

BY: MURRAY HILL ASSOCIATES XVI, INC.  
General Partner

By: /s/ Neil Siderow  
-----  
Neil Siderow,  
President

SL GREEN OPERATING PARTNERSHIP, L.P.,

BY: SL GREEN REALTY CORP.,  
General Partner

By: /s/ Steven H. Klein  
-----  
Steven H. Klein,  
Executive Vice President

LIST OF SCHEDULES AND EXHIBITS

116 Nassau Street

Schedule	A	-	Legal Description of Premises
Schedule	B	-	Permitted Exceptions
Schedule	C	-	Purchase Price
Schedule	D	-	Miscellaneous Information
Schedule	E	-	Existing Leases, Rent Roll and Security Deposits
Schedule	F	-	Insurance
Schedule	G	-	Pay Roll/Employees
Schedule	H	-	Service Contracts
Schedule	I	-	Certain Pending Transactions for which Purchaser may be Obligated to Pay a Brokerage Commission
Schedule	J	-	Personal Property
Schedule	K	-	Operating Statements
Schedule	L	-	List of Existing Tenants for Estoppel Certificates
Schedule	M	-	Leasing Criteria
Exhibit A		-	Assignment and Assumption of Leases and Security Deposits
Exhibit B		-	Assignment and Assumption of Contracts
Exhibit C		-	Form of Notice to Tenants
Exhibit D		-	Tenant Estoppel Certificate

Schedule A

Legal Description of Premises

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

BEGINNING at the corner formed by the intersection of the Southerly side of Nassau Street with the Easterly side of Jay Street;

THENCE RUNNING Easterly along the Southerly side of Nassau Street 176 feet 1 inch to land now or late of Henry Barclay, Jr.;

THENCE Southerly parallel with Jay Street and along said land of Henry Barclay Jr. 100 feet;

THENCE Westerly parallel with Nassau Street 91 feet 4 inches;

THENCE Northerly parallel with Jay Street 6 feet;

THENCE Westerly nearly parallel with Nassau Street and part of the distance through a party wall 84 feet 9 inches to a point on the Easterly side of Jay Street 93 feet 10 inches Southerly from the Southeasterly corner of Nassau and Jay Street;

THENCE Northerly along the Easterly side of Jay Street 93 feet 10 inches to the corner, the point or place of Beginning.

Premises known as: 116-132 Nassau Street a/k/a 199-201 Jay  
Street, Brooklyn, NY.  
Block 107  
Lot 9

Schedule C  
PURCHASE PRICE

The Purchase Price shall be paid as follows:

- (a) By check subject to collection or  
by wire transfer, the receipt of which  
is hereby acknowledged by Seller:                   \$500,000.00  
-----
- (b) By check, checks or wire transfer  
delivered to Seller at Closing in accordance  
with the provisions of Section 2.02:               \$10,000,000.00  
-----
- Purchase Price   \$10,500,000.00  
=====

Schedule D  
MISCELLANEOUS

1. Title insurer designated by the parties (ss.1.02):
- 2.
- 3.
- 4.
5. Seller's tax identification number (ss.2.05):
6. Purchaser's tax identification number (ss.2.05):
7. Scheduled time and date of Closing (ss.3.01): [INSERT 47]
8. Place of Closing (ss.3.01): [INSERT 48]
9. Assessed valuation of Premises (ss.4.10): [INSERT 48A]
10. Fiscal year and annual real estate taxes on Premises (ss.4.10):  
\$111,697.36
11. Tax abatements or exemptions affecting Premises (ss.4.10): None
12. Assessments on Premises (ss.4.13): None
14. Maximum Expense of Seller to cure title defects, etc. (ss.13.02): [INSERT  
49]
15. Broker, if any (ss.14.01): Murray Hill Properties Corp.
16. Party to pay broker's commission (ss.14.01): Seller
19. Additional Schedules or Riders (ss.17.08):  
See attached

Schedule E  
RENT SCHEDULE  
(to be attached separately)



THE FIRST REPUBLIC CORPORATION OF AMERICA  
302 Fifth Avenue  
New York, New York 10001

January 20, 1998

SL Green Operating Partnership, L.P.  
c/o S.L. Green Real Estate  
70 West 36th Street  
New York, New York 10018

Re: Contract of Sale of even date herewith (the "Agreement")  
between The First Republic Corporation of America ("Seller"), as  
Seller, and SL Green Operating Partnership, L.P. ("Purchaser"),  
as Purchaser, with respect to 321 West 44th Street, New York,  
New York (the "Premises")

Gentlemen:

For the purposes of this letter agreement, unless otherwise defined in  
this letter agreement, all capitalized terms used herein shall have the meanings  
ascribed to them in the Agreement.

In consideration of the Agreement, and for the (\$10.00) dollars and other  
good and valuable consideration, the receipt and adequacy of which are hereby  
acknowledged, Seller and Purchaser agree as follows:

1. Seller hereby represents to Purchaser that (i) as of the date of the  
Agreement there are no persons employed by or on behalf of Seller in connection  
with the management, operation or maintenance of the Building, other than the  
persons listed on Schedule F to the Agreement (the "Employees"), and (ii) the  
Employees are employed by or on behalf of Seller pursuant to the collective  
bargaining agreement described on Exhibits F and G to the Agreement (the "Union  
Agreement");

2. Without the prior written consent of Purchaser in each instance,  
between the date of the Agreement and the date of Closing, Seller shall not hire  
(or permit the hiring or) any person in connection with the management,  
operation or maintenance of the Building either as an additional employee or as  
a replacement for an existing Employee, except that such consent shall be given  
by Purchaser if, in the case of a replacement for an existing Employee, such  
replacement is necessary for the proper management, operation or maintenance of  
the Building at the level that same is being managed, operated and maintained as  
of this date of this contract;

3. Notwithstanding anything contained in the Agreement or in this letter agreement to the contrary, at Closing, Purchaser, at Purchaser's election, may (but shall not be obligated to) adopt the Union Agreement and assume the obligations of an employer thereunder and offer employment to any or all of the employees covered by the Union Agreement. In the event and to the extent that Purchaser so elects to adopt the Union Agreement, Seller and Purchaser shall execute and deliver to the other at Closing, an assignment and adoption agreement pursuant to which the Union Agreement is assigned to Purchaser and duly adopted and assumed by Purchaser. To the extent that Purchaser elects not to adopt the Union Agreement or offer employment to an Employee, Seller shall terminate all Employees designated by Purchaser, and Purchaser agrees to indemnify, defend and hold Seller free and harmless from and against any and all liability, claims, actions, damages, judgments, penalties and expenses, including, but not limited to, any severance payments payable to an Employee whose employment was not continued by Purchaser, and reasonable attorneys' fees, arising out of such termination and the failure by Purchaser to offer employment to such Employee(s); and

4. (a) For the purposes of this Paragraph 4, "Actual Net Credit" shall mean the actual net credit to Seller or Purchaser, as the case may be, after computing all of the apportionments to be made between the parties at the Closing as of the close of business on the day prior to the Closing Date (as more particularly provided in Section 12 of the Agreement), and "Adjusted Net Credit" shall mean the credit to Seller or Purchaser, as the case may be, after computing all of the apportionments to be made between the parties at the Closing as of the close of business on the day prior to the Closing Date (as more particularly provided in Section 12 of the Agreement), but as if the Closing Date were the first (1st) day of the calendar month in which the actual Closing Date occurs.

(b) Notwithstanding anything contained in the Agreement to the contrary, at Purchaser's option, but only if the Adjusted Net Credit is a greater credit to Purchaser than is the Actual Net Credit (the difference between the Adjusted Net Credit and the Actual Net Credit being hereinafter referred to as the "Credit Difference"), all Closing apportionments to be made under the Agreement shall be made as if the Closing Date were the first (1st) day of the calendar month in which the actual Closing Date were the first (1st) day of the calendar month in which the actual Closing Date occurs, and the Purchase Price shall be increased by the Credit Difference. If the Purchaser exercises such option, then, at Purchaser's further option, Seller and Purchaser, at or prior to Closing, shall amend the Agreement to reflect such increased Purchase Price and the apportionment date. (By way of illustration, if the Actual Net Credit is a credit to Seller, and the Adjusted Net Credit is a smaller credit to Seller or is a credit to Purchaser, then Purchaser shall have paid option.)

5. Except as otherwise expressly set forth in this letter

agreement, the Agreement shall remain unmodified and in full force and effect.

To confirm your agreement to the foregoing, please execute this letter in the space provided below.

Very truly yours,

THE FIRST REPUBLIC CORPORATION OF AMERICA

By: /s/ [ILLEGIBLE]

-----  
Name:  
Title:

AGREED:

SL GREEN OPERATING PARTNERSHIP. L.P.  
By: SL Green Realty Corp., its  
General Partner

By: /s/ Steven H. Klein  
-----  
Steven H. Klein  
Executive Vice President

ESCROW AGENT:

By: /s/ S. L. Bernstein  
-----  
Name: S.L. Bernstein  
Title: Atty at Law

[LETTERHEAD OF THE FIRST REPUBLIC CORPORATION OF AMERICA]

January 21, 1998

VIA MESSENGER

SL GREEN OPERATING PARTNERSHIP, L.P.  
70 West 36th Street  
New York, NY 10018

Re: Contract of Sale dated January 20, 1998 (the "Contract") between The First Republic Corporation of America, as Seller, and SL Green Operating Partnership, L.P., as Purchaser. Premises: 321 West 44th Street, New York, New York

Gentlemen:

Per our telephone conversation yesterday, the following Service Contracts should be added to Schedule G of the Contract:

6. Harvard Protection Services, Inc. dated February 4, 1997, as amended December 4, 1997
7. Bay City Metering Co., Inc. dated October 11, 1997
8. Ready Alarm, Division of United Telephone Services, Inc. dated August 8, 1995

You have advised that we should not terminate the Service Contract identified in item 8 above but that we should proceed to terminate those referred to in items 6 and 7 above. We hereby agree to terminate the service contracts referred to in items 6 and 7 above, effective on or before Closing (as defined in the Contract), except that you have agreed to indemnify and hold us harmless from and against 50% of any and all claims, liability, costs, charges, expenses, losses and fees arising out of, resulting from, or related to such terminations, and we agree that the maximum amount of such indemnification shall not exceed an aggregate of \$25,000.00.

Please sign and return this letter, which will then constitute a First Amendment to the Contract.

Very truly yours,

THE FIRST REPUBLIC CORPORATION OF AMERICA

By: /s/ Stephen L. Bernstein

-----  
Stephen L. Bernstein, Vice President

SLB/ja

UNDERSTOOD AND AGREED:

SL GREEN OPERATING PARTNERSHIP, L.P.  
By: SL Green Realty Corp. gen. partner

By: /s/ Steven H. Klein

-----  
Name in Print: STEVEN H. KLEIN  
Print Title: E.V.P.

154 Contract of sale for New York office,  
commercial and multi-family  
residential premises. 2-95

Distribution by Julius  
Blumberg, Inc.  
NYC 10013

Prepared by the Real Property Committee of the Association of the Bar of the  
City of New York.

NOTE: This form is intended to cover matters common to most transactions.  
Provisions should be added, altered or deleted to  
suit the circumstances of a particular transaction.

Contract of Sale -- Office, Commercial and Multi-Family Residential Premises  
-----

Table of Contents

- Section 1. Sale of premises and acceptable title
- Section 2. Purchase price, acceptable funds, existing mortgages, purchase money mortgage, escrow of downpayment and foreign persons
- Section 3. The closing
- Section 4. Representations and warranties of seller
- Section 5. Acknowledgements of purchaser
- Section 6. Seller's obligations as to leases
- Section 7. Responsibility for violations
- Section 8. Destruction, damage or condemnation
- Section 9. Covenants of seller
- Section 10. Seller's closing obligations
- Section 11. Purchaser's closing obligations
- Section 12. Apportionments
- Section 13. Objections to title, failure of seller or purchaser to perform and vendee's lien
- Section 14. Broker
- Section 15. Notices
- Section 16. Limitations on survival of representations, warranties, covenants and other obligations
- Section 17. Gains tax and miscellaneous provisions
- Signatures and receipt by escrowee
- Schedule A. Description of premises (to be attached)
- Schedule B. Permitted exceptions
- Schedule C. Purchase price
- Schedule D. Miscellaneous
- Schedule E. Rent schedule (to be attached)

CONTRACT dated January 20, 1998 between

THE FIRST REPUBLIC CORPORATION OF AMERICA, a Delaware corporation, having  
its principal office and place of business at 302 Fifth Avenue, New York, NY  
10001

("Seller") and

SL GREEN OPERATING PARTNERSHIP, L.P., a Delaware limited partnership,  
having its principal office and place of business at 70 West 36th Street, New  
York, NY 10018, by SL GREEN REALTY CORP., its general partner

("Purchaser").

Seller and Purchaser hereby covenant and agree as follows:

Section 1. Sale of Premises and Acceptable Title

ss.1.01. Seller shall sell to Purchaser, and Purchaser shall purchase from  
Seller, at the price and upon the terms and conditions set forth in this  
contract: (a) the parcel of land more particularly described in Schedule A  
attached hereto ("Land") [INSERT 1]; (b) all buildings and improvements situated  
on the Land (collectively, "Building"); (c) all right, title and interest of  
Seller, if any, in and to the land lying in the bed of any street or highway in  
front of or adjoining the Land to the center line thereof and to any unpaid  
award for any taking by condemnation or any damage to the Land by reason of a  
change of grade of any street or highway; (d) the appurtenances and all the

estate and rights of Seller in and to the Land and Building; and (e) all right, title and interest of Seller, if any, in and to the fixtures, equipment and other personal property attached or appurtenant to the Building (collectively, "Premises"). The Premises are located at or known as

321 West 44th Street  
New York, NY

ss.1.02. Seller shall convey and Purchaser shall accept fee simple title to the Premises in accordance with the terms of this contract, subject only to: (a) the matters set forth in Schedule B attached hereto (collectively, "Permitted Exceptions"); and (b) such other matters as (i) the title insurer specified in Schedule D attached hereto shall be willing, without special Premium, to omit as exceptions to coverage.

Section 2. Purchase Price, Acceptable Funds, Existing Mortgages, Purchase Money Mortgage, and Escrow of Downpayment and Foreign Persons

ss.2.01. The purchase price ("Purchase Price") to be paid by Purchaser to Seller for the Premises as provided in Schedule C attached hereto is \$17,000,000

ss.2.02 All monies payable under this contract, unless otherwise specified in this contract, shall be paid by (a) certified checks of Purchaser or any person making a purchase money loan to Purchaser drawn on any bank, savings bank, trust company or savings and loan association having a banking office in the State of New York [INSERT 2] official bank checks drawn by any such banking institution, payable to the order of Seller, except that uncertified checks of Purchaser payable to the order of Seller up to the amount of one-half of one percent of the Purchase Price shall be acceptable for sums payable to Seller at the Closing.

ss. 2.05. (a) The sum paid under paragraph (a) of Schedule C [INSERT 1] other sums paid on account of the Purchase Price prior to the Closing (collectively, "Downpayment") [INSERT 2] paid by check or checks drawn to the order of and delivered to Seller's attorney [INSERT 3] ("Escrowee"). The Escrowee shall hold the proceeds thereof in escrow in a special bank account (or as otherwise agreed in writing by Seller, Purchaser and Escrowee) until the Closing or sooner termination of this contract and shall pay over or apply such proceeds in accordance with the terms of this section. Escrowee [INSERT 4] hold such proceeds in an interest-bearing account, any interest earned thereon, shall be paid to the same party entitled to the escrowed proceeds, and the party receiving such interest shall pay any income taxes thereon. The tax identification numbers of the parties are either set forth in Schedule D or shall be furnished to Escrowee upon request. At the Closing, such proceeds and the interest thereon, if any, shall be paid by Escrowee to Seller. If for any reason the Closing does not occur and either party makes a written demand upon Escrowee for payment of such amount, Escrowee shall give written notice to the other party of such demand. If Escrowee does not receive a written objection from the other party to the proposed payment within 10 business days after the giving of such notice, Escrowee is hereby authorized to make such payment. If Escrowee does receive such written objection within such 10 day period or if for any other reason Escrowee in good faith shall elect not to make such payment, Escrowee shall continue to hold such amount until otherwise directed by written instructions from the parties to this contract or a final judgment of a court. However, Escrowee shall have the right at any time to deposit the escrowed proceeds and interest thereon, if any, with the clerk of the Supreme Court of the county in which the Land is located. Escrowee shall give written notice of such deposit to Seller and Purchaser. Upon such deposit Escrowee shall be relieved and discharged of all further obligations and responsibilities hereunder.

(b) The parties acknowledge that Escrowee is acting solely as a stakeholder at their request and for their convenience, that Escrowee shall not be deemed to be the agent of either of the parties, and that Escrowee shall not be liable to either of the parties for any act or omission on its part unless taken or suffered in bad faith, in willful disregard of this contract or involving gross negligence. Seller and Purchaser shall jointly and severally indemnify and hold Escrowee harmless from and against all costs, claims and expenses, including reasonable attorneys' fees, incurred in connection with the performance of Escrowee's duties hereunder, except with respect to actions or omissions taken or suffered by Escrowee in bad faith, in willful disregard of this contract or involving gross negligence on the part of Escrowee.

(c) Escrowee has acknowledged agreement to these provisions by signing in the place indicated on the signature page of this contract.

ss. 2.06. In the event that Seller is a "foreign person", as defined in Internal Revenue Code Section 1445 and regulations issued thereunder (collectively, the "Code Withholding Section"), or in the event that Seller fails to deliver the certification of non foreign status required under ss. 10.12(c), or in the event that Purchaser is not entitled under the Code Withholding Section to rely on such certification, Purchaser shall deduct and withhold from the Purchase Price a sum equal to ten percent (10%) thereof and shall at Closing remit the withheld



amount with Forms 8288 and 8288A (or any successors thereto) to the Internal Revenue Service; and if the cash balance of the Purchase Price payable to Seller at the Closing after deduction of net adjustments, apportionments and credits (if any) to be made or allowed in favor of Seller at the Closing as herein provided is less than ten percent (10%) of the Purchase Price, Purchaser shall have the right to terminate this contract, in which event Seller shall refund the Downpayment to Purchaser and shall reimburse Purchaser for title examination and survey costs as if this contract were terminated pursuant to ss.13.02. The right of termination provided for in this ss.2.06 shall be in addition to and not in limitation of any other rights or remedies available to Purchaser under applicable law.

### Section 3. The Closing

ss. 3.01. Except as otherwise provided in this contract, the closing of title pursuant to this contract ("Closing") shall take place on the scheduled date and time of closing specified in Schedule D (the actual date of the Closing being herein referred to as "Closing Date") at the place specified in Schedule

### Section 4. Representations and Warranties of Seller

Seller represents and warrants to Purchaser as follows:

ss.4.01. Unless otherwise provided in this contract, Seller is the sole owner of the Premises.

ss.4.02. If the Premises are encumbered by an Existing Mortgage(s), no written notice has been received from the Mortgagee(s) asserting that a default or breach exists thereunder which remains uncured and no such notice shall have been received and remain uncured on the Closing Date. If copies of documents constituting the Existing Mortgage(s) and note(s) secured thereby have been exhibited to and initialed by Purchaser or its representative, such copies are true copies of the originals and the Existing Mortgage(s) and note(s) secured thereby have not been modified or amended except as shown in such documents.

ss.4.03. [INSERT 1]

If any Leases which have been exhibited to and initialed by Purchaser or its representative contain provisions that are inconsistent with the foregoing representations and warranties, such representations and warranties shall be deemed modified to the extent necessary to eliminate such inconsistency and to conform such representations and warranties to the provisions of the Leases.

ss.4.04. [INSERT 2]

ss.4.06. [INSERT 3]

ss. 4.07 [INSERT 4] lists all employees presently employed at the Premises, and the information contained therein is accurate as of the date set forth therein or, if no date is set forth therein, as of the date hereof, and, except as otherwise set forth in such schedule, [INSERT 5] covered by a union contract and there are no retroactive increases or other accrued and unpaid sums owed to any employee. [INSERT 6]

ss.4.08. [INSERT 7]

ss.4.09. The copy of a certificate of occupancy for the Premises exhibited to and initialed by Purchaser or its representative, is a true copy of the original and such certificate has not been amended, but Seller makes no representation as to compliance with any such certificate. [INSERT 8]

ss.4.10. The assessed valuation and real estate taxes set forth in Schedule D, if any, are the assessed valuation of the Premises and the taxes paid or payable with respect thereto for the fiscal year indicated in such schedule. Except as otherwise set forth in Schedule D, there are no tax abatements or exemptions affecting the Premises.

ss.4.11. [INSERT 9]

ss.4.12. Seller has no actual knowledge that any incinerator, boiler or other burning equipment on the Premises is being operated in violation of applicable law. [INSERT 10] of a certificate or certificates of operation therefor have been exhibited to and initialed by Purchaser or its representative, such copies are true copies of the originals.

ss.4.13. Except as otherwise set forth in Schedule D, Seller has no actual knowledge of any assessment payable in annual installments, or any part thereof, which has become a lien on the Premises. [INSERT 11]

ss.4.14. Seller is not a "foreign person" as defined in the Code Withholding Section.

[INSERT 12]

### Section 5. Acknowledgments of Purchaser

Purchaser acknowledges that:

ss.5.01. Purchaser has inspected the Premises, is fully familiar with the physical condition and state of repair thereof, and, subject to the provisions of ss.7.01, ss.8.01, and ss.9.04, shall accept the Premises "as is" and in their present condition, subject to reasonable use, wear, tear and natural deterioration between now and the Closing Date, without any reduction in the Purchase Price for any change in such condition by reason thereof subsequent to the date of this contract.

ss.5.02. Before entering into this contract, Purchaser has made such examination of the Premises, the operation, income and expenses thereof and all other matters affecting or relating to this transaction as Purchaser deemed necessary. In entering into this contract, Purchaser has not been induced by and has not relied upon any representations, warranties or statements, whether express or implied, made by Seller or any agent, employee or other representative of Seller or by any broker or any other person representing or purporting to represent Seller, which are not expressly set forth in this contract, whether or not any such representations, warranties or statements were made in writing or orally.

#### Section 6. Seller's Obligations as to Leases

ss.6.01. Unless otherwise provided in a schedule attached to this contract, between the date of this contract and the Closing, Seller shall not, without Purchaser's prior written consent, which consent shall not be unreasonably withheld: (a) amend, renew or extend any [INSERT 13] Lease in any respect, unless required by law; (b) grant a lease to any tenant occupying space pursuant to a Tenancy [INSERT 14]; or (c) terminate any [INSERT 13] Lease or Tenancy except by reason of a default by the tenant thereunder.

ss.6.02. Unless otherwise provided in a schedule attached to this contract, between the date of this contract and the Closing, Seller shall not permit occupancy of, or enter into any, new lease for, space in the Building which is presently vacant which may hereafter become vacant without first giving Purchaser written notice of the identity of the proposed tenant, together with (a) either a copy of the proposed lease or a summary of the terms thereof in reasonable detail and (b) a

statements 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 4 business days after receipt of Seller's notice if such notice was personally delivered to Purchaser, or within 7 business days after the mailing of such notice by Seller to Purchaser, in which case Seller shall not enter into the proposed lease. Unless otherwise provided in a schedule attached to this contract, Purchaser shall pay to Seller at the Closing, in the manner specified in ss.2.02, 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 the amount of the brokerage commission specified in Seller's notice and the reasonable cost of decoration or other work required to be performed by the landlord under the terms of the proposed lease to suit the premises to the tenant's occupancy ("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 the Seller of its objection, [INSERT 1] 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 ss.2.02, the Reletting Expenses, 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 the Closing. In no event shall the amount so payable to Seller exceed the sums actually paid by Seller on account thereof. [INSERT 2]

ss.6.03. If any space is vacant on the Closing Date, Purchaser shall accept the Premises subject to such vacancy, provided that the vacancy was not permitted or created by Seller in violation of any restrictions contained in this contract. [INSERT 3] Seller shall not grant any concessions or rent abatements for any period following the Closing without Purchaser's prior written consent. Seller shall not apply all or any part of the security deposit of any tenant unless such tenant has vacated the Premises.

ss.6.04. [INSERT 4] Seller does not warrant that any particular Lease or Tenancy will be in force or effect at the Closing or that the tenants will have performed their obligations thereunder. The termination of any Lease or Tenancy prior to the Closing by reason of the tenant's default shall not affect the obligations of Purchaser under this contract in any manner or entitle Purchaser to an abatement of or credit against the Purchase Price or give rise to any other claim on the part of Purchaser.

ss.6.05. Seller hereby indemnifies and agrees to defend Purchaser against any claims made pursuant to ss.7-107 or ss.7-108 of the General Obligations Law (the "GOL") by tenants who resided in the Premises on or prior to the Closing Date other than (a) claims with respect to tenants' security deposits paid, credited or assigned to Purchaser pursuant to ss.10.03, (b) claims made pursuant to ss.7-107 of the GOL with respect to funds for which Seller was not liable, and (c) claims made pursuant to ss.7-108 of the GOL by tenants to whom Purchaser failed to give the written notice specified in ss.7-108(c) of the GOL within thirty days after the Closing Date. The foregoing indemnity and agreement shall survive the Closing and shall be in lieu of any escrow permitted by ss.7-108(d) of the GOL, and Purchaser hereby waives any right it may have to require any such escrow.

## Section 7. Responsibility for Violations

ss.7.01. Except as provided in ss.7.02 and ss.7.03, all notes or notices of violations of law or governmental ordinances, orders or requirements which are noted or issued prior to the date of [INSERT 5] by any governmental department, agency or bureau having jurisdiction as to conditions affecting the Premises and all liens which have attached to the Premises prior to the Closing pursuant to the Administrative Code of the City of New York, if applicable, shall be removed or complied with by Seller. If such removal or compliance has not been completed prior to the Closing, Seller shall pay to Purchaser at the Closing the reasonably estimated unpaid cost to effect or complete such removal or compliance, and Purchaser shall be required to accept title to the Premises subject thereto.

ss.7.02. If the reasonably estimated aggregate cost to remove or comply with any violations or liens which Seller is required to remove or comply with pursuant to the provisions of ss.7.01 shall exceed the Maximum Amount specified in Schedule D (or if none is so specified, the Maximum Amount shall be one-half of one percent of the Purchase Price), [INSERT 5A] shall have the right to cancel this contract, in which event the sole liability of Seller shall be as set forth in ss.13.02, unless Purchaser elects to accept title to the Premises subject to all such violations or liens, in which event Purchaser shall be entitled to a credit of an amount equal to the Maximum Amount against the monies payable at the Closing.

ss.7.03. Regardless of whether a violation has been noted or issued prior to the date of this contract, Seller's failure to remove or fully comply with any violations which a tenant is required to remove or comply with pursuant to the terms of its lease by reason of such tenant's use or occupancy shall not be an objection to title. Purchaser shall accept the Premises subject to all such violations without any liability of Seller with respect thereto or any abatement of or credit against the Purchase Price. [INSERT 6]

ss.7.04. If required, Seller, upon written request by Purchaser, shall promptly furnish to Purchaser written authorizations to make any necessary searches for the purposes of determining whether notes or notices of violations have been noted or issued with respect to the Premises or liens have attached thereto

[INSERT 6A]

Section 8. Destruction, Damage or Condemnation

ss.8.01. The provisions of Section 5-1311 of the General Obligations Law shall apply to the sale and purchase provided for in this contract. [INSERT 7]

Section 9. Covenants of Seller

Seller covenants that between the date of this contract and the Closing:

ss.9.01.

ss.9.02. Seller shall not modify or amend any Service Contract or enter into any new service contract unless the same is terminable without penalty by the then owner of the Premises upon not more than 30 days' notice.

ss.9.03. Seller shall maintain in full force and effect until the Closing the insurance policies [INSERT 8]

ss.9.04. No fixtures, equipment or personal property included in this sale shall be removed from the Premises unless the same are replaced with similar items of at least equal quality prior to the Closing.

ss.9.05. Seller shall not withdraw, settle or otherwise compromise any protest or reduction proceeding affecting real estate taxes assessed against the Premises for any fiscal period in which the Closing is to occur or any subsequent fiscal period without the prior written consent of Purchaser, which consent shall not be unreasonably withheld. Real estate tax refunds and credits received after the Closing Date which are attributable to the fiscal tax year during which the Closing Date occurs shall be apportioned between Seller and Purchaser, after deducting the expenses of collection thereof, which obligation shall survive the Closing. [INSERT 8A]

ss.9.06. Seller shall allow Purchaser or Purchaser's representatives access to the Premises, the Leases and other documents required to be delivered under this contract upon reasonable prior notice at reasonable times. [INSERT 9]

Section 10. Seller's Closing Obligations

At the Closing, Seller shall deliver the following to Purchaser:

ss.10.01. A statutory form of bargain and sale deed without covenant against grantor's acts, containing the covenant required by Section 13 of the Lien Law, and properly executed in proper form for recording so as to convey the title required by this contract.

ss.10.02. All Leases initialed by Purchaser and all others in Seller's possession, [INSERT 10]

ss.10.03. A schedule of all security deposits (and, if the Premises contains six or more family dwelling units, the most recent reports with respect thereto issued by each banking organization in which they are deposited pursuant to GOL ss.7-103) and a check or credit to Purchaser in the amount of any cash security deposits, including any interest thereon, held by Seller on the Closing Date or, if held by an Institutional Lender, an assignment to Purchaser and written instructions to the holder of such deposits to transfer the same to Purchaser, and appropriate instruments of transfer or assignment with respect to any security deposits which are other than cash, [INSERT 11]

ss. 10.04. A schedule updating the [INSERT 12] and setting forth all arrears in rents and all prepayments of rents, [INSERT 13]

ss. 10.05. All Service Contracts initialed by Purchaser and all others in Seller's possession which are in effect on the Closing Date and which are assignable by Seller.

ss. 10.06. An assignment to Purchaser, [INSERT 1] of all of the interest of Seller in those certificates, permits and other documents to be delivered to Purchaser at the Closing which are then in effect and are assignable by Seller.

[INSERT 2]

ss. 10.10. To the extent they are then in Seller's possession and not posted at the Premises, certificates, licenses, permits, authorizations and approvals issued for or with respect to the Premises by governmental and quasi-governmental authorities having jurisdiction.

ss. 10.11. Such affidavits as Purchaser's title company shall reasonably require in order to omit from its title insurance policy all exceptions for judgments, bankruptcies or other returns against persons or entities whose names are the same as or similar to Seller's name. [INSERT 3]

ss. 10.12(a) Checks to the order of the appropriate officers in payment of all applicable real property transfer taxes and copies of any required tax returns therefor executed by Seller, which checks shall be certified or official bank checks if required by the taxing authority, unless Seller elects to have Purchaser pay any of such taxes and credit Purchaser with the amount thereof, and (b) a certification of non-foreign status, in form required by the Code Withholding Section, signed under penalty of perjury. Seller understands that such certification will be retained by Purchaser and will be made available to the Internal Revenue Service on request.

ss. 10.13. To the extent they are then in Seller's possession, copies of current painting and payroll records. Seller shall make all other Building and tenant files and records available to Purchaser for copying, which obligation shall survive the Closing.

ss. 10.14. An original letter, [INSERT 4] executed by Seller or by its agent, advising the tenants of the sale of the Premises to Purchaser and directing that rents and other payments thereafter be sent to Purchaser or as Purchaser may direct.

ss. 10.16. If Seller is a corporation and if required by Section 909 of the Business Corporation Law, a resolution of Seller's board of directors authorizing the sale and delivery of the deed and a certificate executed by the secretary or assistant secretary of Seller certifying as to the adoption of such resolution and setting forth facts showing that the transfer complies with the requirements of such law. The deed referred to in ss. 10.01 shall also contain a recital sufficient to establish compliance with such law, [INSERT 4A]

ss. 10.17. Possession of the Premises in the condition required by this contract, subject to the Leases and Tenancies, and keys therefor.

ss. 10.18. Any other documents required by this contract to be delivered by Seller.

#### Section 11. Purchaser's Closing Obligations

At the Closing, Purchaser shall:

ss. 11.01. Deliver to Seller checks [INSERT 5] in payment of the portion of the Purchase Price payable at the Closing, as adjusted for apportionments under Section 12, plus the amount of escrow deposits, if any, assigned pursuant to ss. 10.08.

ss. 11.03. Deliver to Seller an agreement indemnifying and agreeing to defend Seller against any claims made by tenants with respect to tenants' security deposits to the extent paid, credited or assigned to Purchaser under ss. 10.03, [INSERT 6]

ss. 11.04. Cause the deed to be recorded, duly complete all required real property transfer tax returns and cause all such returns and checks in payment of such taxes to be delivered to the appropriate officers promptly after the Closing.

ss. 11.05. Deliver any other documents required by this contract to be delivered by Purchaser.

#### Section 12. Apportionments

ss. 12.01. The following apportionments shall be made between the parties at the Closing as of the close of business on the day prior to the Closing Date:

(a) prepaid rents and Additional Rents (as defined in ss. 12.03);

(c) real estate taxes, water charges, sewer rents and vault charges, if any, on the basis of the fiscal period for which assessed, except that if there is a water meter on the Premises, apportionment at the Closing shall be based on the last available reading, subject to adjustment after the Closing when the next reading is available;

(d) wages, vacation pay, pension and welfare benefits and other fringe benefits of all persons employed at the Premises whose employment was not terminated at or prior to the Closing;

(e) value of fuel stored on the Premises, at the price then charged by Seller's supplier, including any taxes;

(f) charges under [INSERT 7] Service Contracts or permitted renewals or replacements thereof;

(g) permitted administrative charges, if any, on tenants' security deposits;

(j) Reletting Expenses under ss. 6.02, if any; and

(k) any other items listed in Schedule D.

If the Closing shall occur before a new tax rate is fixed, the apportionment of taxes at the Closing shall be upon the basis of the old tax rate for the preceding period applied to latest assessed valuation. Promptly after the new tax rate is fixed, the apportionment of taxes shall be recomputed. Any discrepancy resulting from such recomputation and any errors or omissions in computing apportionments at Closing shall be promptly corrected, which obligations shall survive the Closing.

ss. 12.02. If any tenant is in arrears in the payment of rent on the Closing Date, rents received from such tenant after the Closing shall be applied in the following order of priority: (a) first to the month preceding the month in which the Closing occurred; (b) then to the month in which the Closing occurred; (c) then to any month or months following the month in which the Closing occurred; and (d) then to the period prior to the month preceding the month in which the Closing occurred. If rents or any portion thereof received by Seller or Purchaser after the Closing are payable to the other party by reason of this allocation, the appropriate sum, less a proportionate share of any reasonable attorneys' fees, costs and expenses of collection thereof, shall be promptly paid to the other party, which obligation shall survive the Closing.

ss. 12.03. If any tenants are required to pay percentage rent, escalation charges for real estate taxes, operating expenses, cost-of-living adjustments or other charges of a similar nature ("Additional Rents") and any Additional Rents are collected by Purchaser after the Closing which are attributable in whole or in part to any period prior to the Closing, then Purchaser shall promptly pay to Seller Seller's proportionate share thereof, less a proportionate share of any reasonable attorneys' fees, costs and expenses of collection thereof, if and when the tenant paying the same has made all payments of rent and Additional Rent then due to Purchaser pursuant to the tenant's Lease, which obligation shall survive the Closing. [INSERT 8]

### Section 13. Objections to Title, Failure of Seller or Purchaser to Perform and Vendee's Lien

ss. 13.01. Purchaser shall promptly order an examination of title and shall cause a copy of the title report to be forwarded to Seller's attorney upon receipt. Seller shall be entitled to a reasonable adjournment or adjournments of the Closing for up to 60 days to remove any defects in or objections to title noted in such title report and any other defects or objections which may be disclosed on or prior to the Closing Date.

ss. 13.02. If Seller shall be unable to convey title to the Premises at the Closing in accordance with the provisions of this contract or if Purchaser shall have any other grounds under this contract for refusing to consummate the purchase provided for herein, Purchaser, nevertheless, may elect to accept such title as Seller may be able to convey with a credit against the monies payable at the Closing equal to the reasonably estimated cost to cure the same (up to the Maximum Expense described below), but without any other credit or liability on the part of Seller. If Purchaser shall not so elect, Pur-

chaser may terminate this contract and the sole liability of Seller shall be to refund the Downpayment to Purchaser and to reimburse Purchaser for the net cost of title examination, but not to exceed the net amount charged by Purchaser's title company therefor without issuance of a policy, and the net cost of updating the existing survey of the Premises or the net cost of a new survey of the Premises if there was no existing survey or the existing survey was not capable of being updated and a new survey was required by Purchaser's Institutional Lender. Upon such refund and reimbursement, this contract shall be null and void and the parties hereto shall be relieved of all further obligations and liability other than any arising under Section 14. Seller shall not be required to bring any action or proceeding or to incur any expense in excess of the Maximum Expense specified in Schedule D (or if none is so specified, the Maximum Expense shall be one-half of one percent of the Purchase Price) to cure any title defect or to enable Seller otherwise to comply with the provisions of this contract, but the foregoing shall not permit Seller to refuse to pay off at the Closing, to the extent of the monies payable at the Closing, mortgages on the Premises, other than Existing Mortgages, of which Seller has actual knowledge.

ss. 13.03. Any unpaid taxes, assessments, water charges and sewer rents, together with the interest and penalties thereon to a date not less than two days following the Closing Date, and any other liens and encumbrances which Seller is obligated to pay and discharge or which are against corporations, estates or other persons in the chain of title, together with the cost of recording or filing any instruments necessary to discharge such liens and encumbrances of record, may be paid out of the proceeds of the monies payable at the Closing if Seller delivers to Purchaser on the Closing Date official bills for such taxes, assessments, water charges, sewer rents, interest and penalties and instruments in recordable form sufficient to discharge any other liens and encumbrances of record. Upon request made a reasonable time before the Closing, Purchaser shall provide at the Closing separate checks for the foregoing payable to the order of the holder of any such lien, charge or encumbrance and otherwise complying with ss. 2.02. If Purchaser's title insurance company is willing to insure [INSERT 1] such charges, liens and encumbrances, then, Seller shall have the right in lieu of payment and discharge to deposit with the title insurance company such funds or assurances or to pay such special or additional premiums as the title insurance company may require in order to so insure. In such case the charges, liens and encumbrances with respect to which the title insurance company has agreed so to insure shall not be considered objections to title. [INSERT 1A]

ss. 13.04. If Purchaser shall default in the performance of its obligation under this contract to purchase the Premises, the sole remedy of Seller shall be to retain the Downpayment as liquidated damages for all loss, damage and expense suffered by Seller, including without limitation the loss of its bargain.

ss. 13.05. Purchaser shall have a vendee's lien against the Premises for the amount of the Downpayment, but such lien shall not continue after default by Purchaser under this contract.

#### Section 14. Broker

ss. 14.01. If a broker is specified in Schedule D, Seller and Purchaser mutually represent and warrant that such broker is the only broker with whom they have dealt in connection with this contract and that neither Seller nor Purchaser knows of any other broker who has claimed or may have the right to claim a commission in connection with this transaction, unless otherwise indicated in Schedule D. The commission of such broker shall be paid pursuant to separate agreement by the party specified in Schedule D. If no broker is specified in Schedule D, the parties acknowledge that this contract was brought about by direct negotiation between Seller and Purchaser and that neither Seller nor Purchaser knows of any broker entitled to a commission in connection with this transaction. Unless otherwise provided in Schedule D, Seller and Purchaser shall indemnify and defend each other against any costs, claims or expenses, including attorneys' fees, arising out of the breach on their respective parts of any representations, warranties or agreements contained in this paragraph. The representations and obligations under this paragraph shall survive the Closing or, if the Closing does not occur, the termination of this contract.

#### Section 15. Notices

ss. 15.01. [INSERT 2]

#### Section 16. Limitations on Survival of Representations, Warranties, Covenants and other Obligations

ss. 16.01. [INSERT 3]

ss. 16.02. The delivery of the deed by Seller, and the acceptance thereof by Purchaser, shall be deemed the full performance and discharge of every obligation on the part of Seller to be performed hereunder, except those obligations of Seller which are expressly stated in this contract to survive the Closing.

#### Section 17. Gains Tax and Miscellaneous Provisions

ss. 17.01. No assignment of Purchaser's rights under this contract shall be effective against Seller unless and until an executed counterpart of the instrument of assignment shall have been delivered to Seller and Seller shall have been furnished with the name and address of the assignee. The term "Purchaser" shall be deemed to include the assignee under any such effective assignment.

ss. 17.02. This contract embodies and constitutes the entire understanding between the parties with respect to the transaction contemplated herein, and all

prior agreements, understandings, representations and statements, oral or written, are merged into this contract. Neither this contract nor any provision hereof may be waived, modified, amended, discharged or terminated except by an instrument signed by the party against whom the enforcement of such waiver, modification, amendment, discharge or termination is sought, and then only to the extent set forth in such instrument.

ss. 17.03. This contract shall be governed by, and construed in accordance with, the law of the State of New York.

ss. 17.04. The captions in this contract are inserted for convenience of reference only and in no way define, describe or limit the scope or intent of this contract or any of the provisions hereof.

ss. 17.05. This contract shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs or successors and permitted assigns.

ss. 17.06. This contract shall not be binding or effective until properly executed and delivered by Seller and Purchaser.

ss. 17.07. As used in this contract, the masculine shall include the feminine and neuter, the singular shall include the plural and the plural shall include the singular, as the context may require.

ss. 17.08. If the provisions of any schedule or rider to this contract are inconsistent with the provisions of this contract, the provisions of such schedule or rider shall prevail. Set forth in Schedule D is a list of any and all schedules and riders which are attached hereto but which are not listed in the Table of Contents.



[INSERT A]

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

Seller: THE FIRST REPUBLIC CORPORATION  
OF AMERICA

By: /s/ [ILLEGIBLE]  
-----

Purchaser: SL GREEN OPERATING  
PARTNERSHIP BY SL GREEN  
REALTY CORP, its general  
partner

Receipt by Escrowee

The undersigned Escrowee hereby  
acknowledges receipt of \$900,000,  
by check subject to collection,  
to be held in escrow pursuant  
to ss. 2.05.

By: /s/ Steven H. Klein  
-----  
Steven H. Klein,  
Exec VP

-----  
Schedule A

DESCRIPTION OF PREMISES

(to be attached separately and to include tax map designation)

Schedule B

PERMITTED EXCEPTIONS

1. Zoning regulations and ordinances which are not violated by the existing structures or present use thereof and which do not render title uninsurable.
2. Consents by the Seller or any former owner of the Premises for the erection of any structure or structures on, under or above any street or streets on which the Premises may abut.
4. [INSERT 1] Leases and Tenancies specified in [INSERT 2] and any new leases or tenancies not prohibited by this contract.
6. Financing statements, chattel mortgages and liens on personalty filed more than 5 years prior to the Closing Date and not renewed, or filed against property or equipment no longer located on the Premises or owned by Tenants.
7. (a) Rights of utility companies to lay, maintain, install and repair pipes, lines, poles, conduits, cable boxes and related equipment on, over and under the Premises, provided that none of such rights imposes any monetary obligation on the owner of the Premises.  
  
(b) Encroachments of stoops, areas, cellar steps, trim cornices, lintels, window sills, awnings, canopies, ledges, fences, hedges, coping and retaining walls projecting from the Premises over any street or highway or over any adjoining property and encroachments of similar elements projecting from adjoining property over the Premises, [INSERT 3]  
  
(c) Revocability or lack of right to maintain vaults, coal chutes, excavations or sub-surface equipment beyond the line of the Premises.  
  
(d) Any stale of facts that an accurate survey would disclose, provided that such facts do not render title uninsurable.

[INSERT 4]

Schedule C

PURCHASE PRICE

The Purchase Price shall be paid as follows:

(a) By check subject to collection, the receipt of which is hereby acknowledged by Seller [INSERT 1]:	\$ 900,000
(b) By check or checks delivered to Seller at the Closing in accordance with the provisions of ss. 2.02 [INSERT 1]:	\$16,100,000
Purchase Price	\$17,000,000 -----

Schedule D

MISCELLANEOUS

1. Title insurer designated by the parties (ss. 1.02):  
[INSERT 2]
5. Seller's tax identification number (ss. 2.05): 13-1938454
6. Purchaser's tax identification number (ss. 2.05): 13-3960938
7. Scheduled time and date of Closing (ss. 3.01):  
[INSERT 3]
8. Place of Closing (ss. 3.01):  
[INSERT 4]
9. Assessed valuation of Premises (ss. 4.10):  
Actual Assessment:  
Transition Assessment: [INSERT 5]
10. Fiscal year and annual real estate taxes on Premises (ss. 4.10):  
[INSERT 5]
11. Tax abatements or exemptions affecting Premises (ss. 4.10):  
[INSERT 6]
12. Assessments on Premises (ss. 4.13): [INSERT 7]
13. Maximum Amount which Seller must spend to cure violations, etc. (ss. 7.02): \$45,000
14. Maximum Expense of Seller to cure title defects, etc. (ss. 13.02): \$45,000
15. Broker, if any (ss. 14.01): Estreich & Co.
16. Party to pay broker's commission (ss. 14.01): Purchaser
19. Additional Schedules or Riders (ss. 17.08):  
[INSERT 8]

Schedule E

RENT SCHEDULE

1. , together with all easements, rights of way, privileges, appurtenances and other rights, if any, pertaining to the Land or Building (as hereinafter defined)
2. , or (b) by wire of immediately available federal funds, or (c)

Inserts to Page 2

1. and all
2. shall be
3. , Sankel, Skurman & McCartin LLP
4. shall

1. Schedule E annexed hereto and made a part hereof accurately sets forth (1) all agreements in force on the date hereof (including all amendments and modifications of such agreements) for the use, lease or occupancy of space in or at the Building (whether or not the terms hereof have commenced) to which the Seller, its affiliates or designees are a party or are bound or to which any part of the Building is subject, and (2) all other tenancies (excluding subtenancies) in the Premises not arising out of the agreements referred to in clause (1) above, affecting the Premises on the date hereof (the agreements referred to in said clause (1) , including all of the amendments and modifications thereof described in said Schedule E, and all of the (excluding subtenancies) tenancies referred to in clause (2) above, are collectively referred to as the "Existing Lease(s)," and all tenants or other occupants of space pursuant to an Existing Lease are hereinafter collectively referred to as "Existing Tenant(s)"); except for that certain sublease Grinblat Leasing Inc. to Lester Weiss Computer Animation of a portion of Grinblat Leasing Inc.'s premises on the ninth (9th) floor of the Building (the "Existing Sublease"), there are, to the best knowledge of Seller, no subleases in force on the date hereof for the use, lease or occupancy of space in or at the Building (whether or not the terms thereof have commenced) to which any Existing Tenant is a party or is bound; the term of the Existing Sublease (including all possible extensions and renewals thereof) is fixed to expire on or before the date on which the Existing Lease to which the Existing Sublease is subject is fixed to expire; Seller is not a party to any sublease for the use, lease or occupancy of space in or at the Building (whether or not the term thereof has commenced); the data set forth on said Schedule E with respect to each Existing Lease includes an accurate statement of the name of each Existing Tenant, the space demised, the lease, sublease or tenancy expiration date, the security deposits and the base annual rent; no person or entity has or claims any right to possess the Premises or any part thereof except for the Existing Tenants shown in said Schedule E; true, accurate and complete copies of all the Existing Leases and all guaranties and other documents, agreements and instruments relating thereto have been delivered to the Purchaser but, for purposes of this Agreement, the Purchaser may rely on the data set forth in said Schedule E. Except as otherwise set forth in said Schedule E:

- a) each of the Existing Leases is in effect and has not expired or been terminated; Seller has neither given or received any notice of default with respect to any Existing Lease that remains uncured; to the best knowledge of Seller, neither the Seller, nor any of the other parties thereto are in default of any of their obligations under any of the Existing Leases; and none of the Existing Leases has been modified, amended or extended;
- b) all Existing Tenants are in possession of the spaces leased by them;
- c) the rents and Additional Rents shown on said Schedule E are actually being paid by the Existing Tenants, and there are no arrearages in excess of one month of any base, minimum or fixed rent (as opposed to any Additional Rent);
- d) no Existing Tenant has paid rent for more than one month in advance;
- e) no Existing Tenant claims or is entitled to "free" rent, rent concessions, rebates or rent abatements;
- f) no Existing Tenant claims or is entitled to any set-offs or offsets against rent;
- g) no Existing Tenant occupies any space rent free;
- h) no space has been rented furnished;

- i) all work previously required to be performed by the landlord under the Existing Leases or otherwise has been completed and fully paid for;
- j) no Existing Tenant is contesting its pro-rata share of taxes, operating expenses or maintenance increases shown in said Schedule E or their obligations to pay cost-of-living increases or any other Additional Rent as required by its Existing Lease;
- k) all Existing Tenants have furnished insurance certificates indicating that the insurance coverage required by their Existing Leases is in effect;
- l) except pursuant to an assignment of leases and rents granted by Seller to its mortgagee, the Seller has assigned none of its rights under the Existing Leases;
- m) no Existing Tenant has an option, right of first refusal or other preferential right to purchase the Premises or any part thereof;
- n) no action or proceeding instituted against the Seller by any Existing Tenant, or by any Existing Tenant against Seller, is presently pending in any court or other judicial or administrative venue;
- o) no representation or covenant has been made by the Seller to any Existing Tenant except as incorporated in their respective Existing Leases and all representations made by the Seller in the Existing Leases and in all other documents, agreements and instruments relating thereto are true, accurate and correct in all material respects;
- p) no Existing Lease allows the space demised thereunder to be leased or otherwise used for any purpose which is prohibited by a restrictive covenant contained in any other Existing Lease;
- q) any consents or notices required to be obtained or given under the terms of any Existing Lease in connection with this transaction have been obtained or given, as the case may be; and
- r) there are no security deposits other than those set forth in said Schedule E.

2. No portion of Premises is subject to rent control or regulation.

3. Intentionally omitted.

4. The payroll schedule attached hereto as Schedule F

5. all such employees are

6. With respect to any contracts referred to in said payroll schedule or Schedule G, if there is any pending negotiations with any union or Service Contract holder which may involve retroactive increases in pay or rates, the Seller agrees to reimburse the Purchaser for the amount thereof with respect to any period through the Closing Date, even though the increases may be effected after the Closing Date.

7. Annexed hereto as Schedule G and made a part hereof is a list of all service, maintenance, supply and management contracts (collectively, "Service Contracts") relating to the Premises and all deposits of the Seller held by utility companies and other persons and entities who supply goods or services in connection with the operation of the Premises, and the information set forth therein is accurate as of the date hereof.

8. , except as otherwise expressly set forth in this contract. To the best knowledge of Seller (and except as otherwise noted in the violations listed in Schedule H hereto), the use being made of the Premises at present is in conformity with the certificate of occupancy issued

for the Premises; to the best knowledge of Seller (and except as otherwise noted in the violations listed in Schedule H hereto), all required certificates and permits of such type, including, without limitation, underwriters certificates relating to electrical work, and all other building, housing, safety, fire and health certificates, approvals and permits have been issued, are in full force and effect and (except as otherwise indicated thereon) are transferable with the Premises or to the Purchaser without payment; to the best knowledge of Seller, the Premises and the present use and condition thereof do not violate any deed restrictions, zoning or subdivision regulations, or urban redevelopment plans applicable to the Premises, as modified by any duly issued variances; no action or proceeding relating to the foregoing is pending or, to the best knowledge of Seller, threatened, with respect to the Premises; to the best knowledge of Seller on the date hereof (and except as otherwise noted in the violations listed in Schedule H hereto), and no notes or notices of violations of law, ordinances, regulations, orders or requirements relating to the Premises have been noted in or issued by the Departments of Housing and Buildings, Fire, Labor, Health, Air Resources, Highways or any other Federal, State, County or Municipal department, agency, authority or bureau, or have been received by the Seller.

9. No portion of Premises is used for residential purposes.

10. The copies

11. To the extent that an assessment becomes a lien on the Premises on or before the Closing, all installments of such assessment that are due on or before the Closing shall be paid on or before the Closing by Seller, and all installments of such assessment that are due after the Closing shall be paid by Purchaser (or Purchaser's successor).

12. 4.15 All brokerage commissions payable by reason of the Existing Leases and/or renewals, elections to terminate, exercise of termination rights, elections not to terminate, extensions of Existing Leases or options to lease additional space or otherwise with respect to leasing transactions have been fully paid or will be paid when due by Seller, except only that (A) any brokerage commissions payable by reason of New Leases (as defined in Section 6.02 below) permitted pursuant to said Section 6.02, which are made or entered into on or after the date of this Agreement, shall be apportioned in the manner provided in said Section 6.02, and (B) Purchaser shall pay any brokerage commissions payable by reason of renewals or extensions of Existing Leases or options to lease additional space exercised after Closing pursuant to the applicable Existing Lease provisions.

4.16 All construction reimbursements, tenant improvement allowances and similar payments to be made by the landlord under the Existing Leases have been paid in full or will be paid in full prior to Closing. Schedule E hereto sets forth all construction reimbursements, tenant improvement allowances and similar payment under the existing leases which have not been paid in full as of the date of this Agreement.

4.17 Intentionally omitted.

4.18 There is no litigation, proceeding (zoning or otherwise) or governmental investigation pending, or to the best knowledge of Seller, threatened against or relating to the Seller, the Premises or the transactions contemplated by this Agreement, nor, to the best knowledge of Seller, is there any basis for such action.

4.19 A part of Schedule E Annexed hereto contains a true, accurate and complete operating statement for the Premises showing all income and expenses (including debt service) attributable to the Premises for calendar year 1997.

4.20 The Seller has not received written notice of any default or breach by the Seller under any of the covenants, conditions, restrictions, rights of way or easements affecting the Premises or any portion thereof; to the best knowledge of Seller, no such default or breach now exists; and, to the best knowledge of Seller, no event has occurred and is continuing which with notice and/or the passage of time would constitute a default thereunder.

4.21 No work has been performed or is in progress at, and no materials have been furnished to, the Premises or any portion thereof which, though not at present the subject of, might give rise to mechanic's, materialmen's or other liens against the Premises or any portion thereof.

4.22 To the best knowledge of Seller, there are no outstanding requirements or recommendations by any insurance company that issued a policy with respect to the Premises or any part thereof, or by any Board of Fire Underwriters or other body exercising similar functions, requiring or recommending any repairs or work to be done on or to the Premises.

4.23 This Agreement has been duly and validly authorized, executed and delivered by the Seller and the Seller has full power and authority to consummate the transactions contemplated hereby, and the Closing will not constitute a breach or violation of any contract or instrument to which the Seller is a party, or by which it or any of its assets are subject or bound, or any judgment, order, writ, injunction or decree issued against or imposed upon it, or will result in a violation of any applicable law, order, rule or regulation of any governmental authority.

4.24 No person or entity has an option, right of first refusal or other preferential right to purchase the Premises or any part thereof.

4.25 No Existing Tenant has executed or delivered to Seller any promissory notes or other instruments pursuant to which an Existing Tenant is indebted to its landlord, and Seller does not own and is not holding any such notes or other instruments.

4.26 True, accurate and complete copies of all Service Contracts have been delivered to the Purchaser.

4.27 Seller has good and marketable title to all of the fixtures, equipment, furnishings and items of personal property used in connection with the maintenance and operation of the Premises (collectively, the "Personal Property"), free of all financing and other liens or encumbrances. Seller shall convey the Personal Property to Purchaser at Closing, free of all financing and other liens or encumbrances, pursuant to the Bill of Sale attached hereto as Exhibit F (which by this reference is made a part hereof).

4.28 To the best knowledge of Seller, no fact or condition exists which would result in the termination or impairment of access to the Premises or the discontinuation of necessary sewer, water, electric, gas, telephone or other utilities or services to the Premises.

4.29 To the best knowledge of Seller. Seller has timely filed with all of the applicable governmental authorities having jurisdiction over the Premises, all statements, affidavits, documents and other instruments with respect to the Premises and the operation and use thereof that are required to be filed by applicable laws, rules, regulations, and ordinances, and Seller has not received any notice that same have not been so timely filed.

4.30 No air rights or development rights appurtenant to the Premises have heretofore been conveyed, transferred, granted or licensed to any third party.

4.31 To the best knowledge of Seller, neither Seller, nor any other person has ever caused or permitted any Hazardous Substance (hereinafter defined) to be placed, located, spilled or otherwise disposed of on under or at the Premises or any part thereof. There is not now pending, nor has Seller received any notice of any threatened, investigation, action or proceeding against Seller or the Premises seeking to enforce any right or remedy under any Environmental Laws (hereinafter defined). "Hazardous Substance" shall mean any material or substance governed or regulated or defined under



any local, state or Federal law, rule ordinance, code, regulation, order or decree regulating, relating to or imposing liability or standards of conduct with regard to hazardous, toxic or dangerous waste, substances or materials or regulating or governing air or water quality, the environment or environmental, health safety or hygiene ("Environmental Laws").

#### Section 4A

4A.01 All of the representations, warranties and agreements set forth in Section 4 above and elsewhere in this Agreement, all Exhibits and Schedules annexed hereto, or in any letter or certificate furnished to the Purchaser pursuant hereto, each of which is incorporated herein by reference and made a part hereof, shall be true, accurate and complete upon the execution of this Agreement, shall not be misleading, and shall be deemed to be repeated on and as of the Closing Date. No such representation or warranty shall omit to state a material fact necessary to make the statements contained therein not misleading.

4A.02 Without limiting any of the rights of the Purchaser elsewhere provided for in this Agreement, it is agreed that the obligation of the Purchaser to close under this Agreement is conditioned upon, and shall be subject to, the accuracy, truthfulness and completeness of all of the Seller's representations and warranties in all material respects, and the due compliance by the Seller of all of its agreements set forth in Section 4 above and elsewhere in this Agreement. If, at the Closing, any of the Seller's representations or warranties are inaccurate, untrue or incomplete in any material respect, or the Seller has not complied with any of the material terms or covenants of this Agreement, or any other condition to the Purchaser's obligation to close hereunder has not been satisfied, then the Purchaser may elect to terminate this Agreement by notice given to the Seller. If this Agreement is so terminated, the Seller shall promptly cause the Downpayment to be refunded to the Purchaser, with all interest earned thereon, and the Seller shall promptly pay the cost of any survey obtained. Upon such refund and payment, this Agreement shall terminate and neither party to this Agreement shall have any further rights or obligations hereunder other than any arising under Section 14 below. Notwithstanding anything to the contrary contained in the preceding sentence, if on the date scheduled for Closing any of Seller's representations or warranties are inaccurate, untrue or incomplete in any material respect, Seller shall have the same sixty (60) days (as opposed to an additional sixty (60) days), as provided in Section 13.01 above, to adjourn the Closing to correct the underlying facts of the representation(s) or warranties in question.

4A.03 If any claim is made against the Purchaser, following the Closing, by any tenant asserting an offset against rent or otherwise with respect to any matter which arose prior to the Closing, and Purchaser gives Seller notice thereof, then the Seller shall indemnify, defend (at Seller's sole cost and expenses with counsel reasonably acceptable to Purchaser) and hold the Purchaser harmless from all losses, damages and expenses in connection therewith, including, without limitation, attorneys' fees and disbursements, which obligation shall survive the Closing.

13. Existing

14. (which is defined to mean any tenancy in the Premises not arising out of a lease or sublease)

1. or if Purchaser approves the proposed lease,
2. All such proposed leases entered into between the date of this contract and the Closing are herein referred to as the "New Leases." Within two (2) business days after Seller enters into a New Lease, or immediately prior to Closing (if the New Lease is entered into within two (2) business days prior to Closing), Seller shall deliver to Purchaser an updated Schedule E setting forth, with respect to each New Lease, all of the information provided for in said Schedule E. For the purposes of the representations, warranties, covenants and conditions set forth in this contract, immediately upon Seller's entering into a New Lease, such New Lease shall be deemed an Existing Lease, except that all of the representations and warranties that are made as of the date of this contract shall be deemed to have been made as of the date of the New Lease. (For the purposes of this contract, the Existing Leases and all New Leases, if any, are herein referred to as the "Leases.") In addition, from time to time between the date of this contract and the Closing, to the extent that any of the information set forth in the said Schedule E changes with respect to an Existing Lease or a New Lease, or if any of the representations or warranties set forth in this contract with respect to a Lease changes or becomes inaccurate, Seller shall so notify Purchaser. Furthermore, Seller shall not consent to any proposed sublease or other use of occupancy agreement proposed by a Tenant, without Purchaser's prior written approval, which approval shall not be unreasonably withheld or delayed.
3. or in any Lease
4. Except as otherwise expressly provided in this Agreement,
5. Closing
- 5A. Purchaser
6. Seller hereby represents that, to the best knowledge of Seller, the violations listed on Schedule H hereto are the only violations of law or governmental ordinances, orders or requirements that have been noted or issued prior to the date of this Agreement. For the purposes of this Section 7, the violations described in this Section 7.03 are herein referred to as "Tenant Violations." Seller hereby represents that, to the best knowledge of Seller, the violations listed on Schedule H hereto under the caption "TENANT VIOLATIONS" are the only Tenant Violations that have been noted or issued prior to the date of this Agreement. Notwithstanding anything contained in this Agreement which may be deemed to the contrary, promptly after the date of this Agreement, Seller, at Seller's sole cost and expense, shall take all necessary action under the applicable Leases to require the Tenants thereunder to cure all Tenant Violations and have them discharged or removed of record prior to Closing (regardless of whether or not same are listed on Schedule H hereto and regardless of whether or not the applicable Lease is an Existing Lease or whether or not same have been noted or issued prior to, or on or after the date of this Agreement (but not after the date of Closing)). Such necessary action shall include, but not be limited to, giving such Tenants default notices under their Leases and (if such defaults are not cured within the applicable cure period) giving such Tenants termination notices, and otherwise exercising and enforcing all of Seller's rights and remedies under the applicable Leases, at law and in equity (including, but not limited to, the remedy of injunction, if available). On a regular basis, and promptly after Purchaser's request from time to time, Seller shall notify Purchaser in writing of the status of the Tenant Violations. To the extent that on the date of Closing, any action or proceeding against such Tenants are pending, at Closing, Seller shall disclose (in writing) such actions and proceedings to Purchaser, and Seller, at Purchaser's option, shall either assign (in writing) all of Seller's rights in and to the actions and proceedings selected by Purchaser, or terminate the actions or proceedings selected by Purchaser. Except as set forth in this insert to Section 7.03 Seller shall have no other obligations with respect to Tenant Violations, and, provided Seller has complied with the provisions of this insert, the curing and discharging or removal of the Tenant

Violations by Closing shall not be a condition to Purchaser's obligation to close title hereunder.

- 6A. For the purposes of this Section 7, the violations described in this Section 7 (other than the Tenant Violations) are herein referred to as "Building Violations." Seller hereby represents that, to the best knowledge of Seller, the violations listed on Schedule H hereto under the caption "Building Violations" (i.e., items 1 through 15) are the only Building Violations that have been noted or issued prior to the date of this Agreement. Subject to the limitation set forth in Section 7.02 above, Seller, at its sole cost and expense, through the date of Closing, shall use its best efforts, and take all necessary action, to cure all Building Violations and have them discharged or removed of record prior to Closing (regardless of whether or not same are listed on Schedule H hereto and regardless of whether or not same have been noted or issued prior to, or on or after the date of this Agreement (but not after the date of Closing)). On a regular basis, and promptly after Purchaser's request from time to time, Seller shall notify Purchaser in writing of the status of the Building Violations. To the extent that by the date which is thirty (30) days after the date of this Agreement, all Building Violations have not been cured and discharged or removed of record (the Building Violations that have not been so cured and discharged or removed of record being herein referred to as the "Uncured Building Violations"), and provided that the Closing has not occurred by such date, Purchaser shall have the right, but not the obligation, by notice to take all necessary action to cure one (1) or more of the Uncured Building Violations and to have same discharged or removed of record. If Purchaser so notifies Seller, Seller shall cooperate reasonably with Purchaser and shall assist Purchaser in taking such actions. In addition, Seller shall cause up to the balance of the Maximum Amount not yet expended by Seller to cure all Building Violations and to have same discharged or removed of record (as herein more particularly provided) to be released from the Downpayment that is being held in escrow pursuant to this Agreement and paid to Purchaser for the purpose of taking such actions. Such monies shall be used by Purchaser solely for the purpose of taking such actions. For the purposes of calculating whether the aggregate cost referred to in Section 7.02 above exceeds the Maximum Amount and whether Purchaser may exercise its rights under said Section 7.02, such costs shall include the costs paid by Seller, the amount of the Downpayment so released from escrow and paid to Purchaser, any other costs paid by Purchaser in connection with taking such actions, and the reasonably estimated aggregate cost to complete such cure and discharge or removal. (So that, for example, if (a) the costs paid by Seller is \$5,000.00, (b) the cost released from escrow and paid to Purchaser is \$7,500.00, and (c) the other costs paid by Purchaser are \$2,500.00, then to exercise its rights under Section 7.02, the reasonably estimated aggregate cost to complete such cure and discharge or removal must be more than \$30,000.00. If, in the foregoing example, such reasonably estimated aggregate cost is more than \$30,000.00 and Purchaser elects to cancel this Agreement, then in accordance with Section 13.02 below, the Downpayment (less the money so released and paid to Purchaser, i.e., \$7,500.00) shall be refunded to Purchaser. If, in the foregoing example, such reasonably estimated aggregate cost is more than \$30,000.00 and Purchaser elects to not to cancel this Agreement, then Purchaser shall receive as a credit against the Purchase Price, the money so released and paid to Purchaser (i.e., \$7,500.00), the other costs paid by Purchaser (i.e., \$2,500.00), and the \$30,000.00 balance of the Maximum Amount (which takes into consideration the \$5,000.00 paid by Seller). If, in the foregoing example, such reasonably estimated aggregate cost is not more than \$30,000.00, then Purchaser shall not have the right to elect to cancel this Agreement, and Purchaser shall receive as a credit against the Purchase Price, the money so released and paid to Purchaser (i.e., \$7,500.00), the other costs paid by Purchaser (i.e., \$2,500.00), and such reasonably estimated aggregate cost. In no event shall Seller be required to expend or cause to be released from the Downpayment more than \$45,000.00, in the aggregate, for the purpose of curing Building Violations and having same discharged or removed of record.
7. For the purposes thereof, "material" shall be damage, destruction or condemnation, the estimated cost to repair or restore of which exceeds \$250,000.00, in the aggregate.

8. presently affording coverage with respect to the Premises, copies of which (or of the insurance certificates evidencing such policies) have been delivered to Purchaser

8A. In addition, any real estate tax refunds and credits received after the Closing Date which are attributable to any fiscal tax year prior to the fiscal tax year during which the Closing Date occurs, shall be paid to Seller, after deducting the expenses, if any, of collection thereof, which obligation shall survive the Closing. Seller hereby represents that Seller is presently prosecuting real estate tax reduction proceedings for the 1997/1998 tax year.

9. 9.07 The Seller shall provide or cause to be provided all such services with respect to the Premises and the tenants that are now required to be provided or, it not so required, that have customarily been provided.

9.08 The Seller shall maintain and keep the Premises, including mechanical equipment of every kind used in the operation thereof, in a condition at least as good as its present condition so that the same shall be in a condition at least as good as its present condition on the Closing Date, reasonable wear and tear excepted, and the Seller shall not enter into any contracts, agreements or arrangement which will violate any of the terms, covenants or conditions of this Agreement on Seller's part to observe, perform or comply with, or which will survive the Closing, or extend any existing contracts, agreements or arrangements which may affect the Premises in any manner whatsoever, or modify (without Purchaser's written consent, which consent may be withheld by Purchaser in its sole and absolute discretion) any existing contract, agreement or arrangement in a manner which will result in such violation.

9.09 No Personal Property included in this sale shall be removed from the Premises unless the same are replaced with similar items of at least equal quality prior to the Closing.

9.10 If the landlord under any Lease or Tenancy has an obligation, whether accrued or contingent, to reimburse the tenant under such Lease or Tenancy, whether by way of payment or rent credit, for any expenses incurred by such tenant, the Seller shall pay to the Purchaser an amount equal to such payment or credit for reimbursable expenses at the time such tenant becomes entitled to such payment or credit, only if such expenses were incurred by such tenant prior the Closing Date. Both prior to and after the Closing, the Seller shall perform and comply with all obligations and provisions to be performed and complied with by the tenant under any take-over leases entered into in connection with the leasing of the Premises, and the Seller shall indemnify the Purchaser against and hold the Purchaser harmless from all losses, damages, liabilities and expenses (including, without limitation, attorneys' fees and disbursements) suffered, paid or incurred by the Purchaser as a result of the Seller's failure to perform and comply with such obligations and provisions.

9.11 Notwithstanding anything contained in the introduction to this Section 9 limiting Seller's obligation to the period between the date hereof and the Closing, prior to and after the Closing, the Seller shall make all books and records (including tenant files) relating to the ownership and operation of the Premises available to the Purchaser and its accountants, attorneys and other representatives, and, upon reasonable prior notice at reasonable times, shall permit the Purchaser's accountants, attorneys and other representatives to examine, audit and make copies of the same, at the Purchaser's sole cost and expense. Prior to and after the Closing, the Seller shall cooperate with the Purchaser's accountants, attorneys and other representatives, shall allow such persons to make extracts from the aforesaid books and records and shall respond fully and candidly to inquiries made by such accountants, attorneys and other representatives. Through the Closing Date, Purchaser shall treat the information contained in such books and records 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, prospective investors, lenders, prospective lenders, attorneys, accountants, engineers and other consultants of Purchaser who need to know such information, provided such persons are instructed to treat such information confidentially, or (c) upon the written consent of Seller. If this Agreement is

terminated without the Closing having occurred, then the provisions of the preceding sentence shall survive such termination.

9.12 The Seller shall not settle any suit, action or proceeding commenced to enforce the collection of rents or Additional Rents due the Seller from past, present or future tenants of the Building without obtaining the Purchaser's prior consent if such settlement would materially adversely affect the Purchaser's rights in any respect, which consent shall not be unreasonably withheld or delayed.

10. and an assignment of the Leases in the form annexed hereto as Exhibit B.
11. and an assignment of said cash security deposits and all other security deposits being held by Seller, in the form annexed hereto as Exhibit B. To the extent that any of such security deposits are in the form of a letter of credit, at the Closing, at no cost or expense to Purchaser, Seller shall deliver to Purchaser all instruments (duly executed and acknowledged) which are required to transfer such letters of credit to Purchaser as the new beneficiary thereunder.
12. information set forth in Schedule E hereto
13. and all other defaults of which Seller is aware.

1. in the form annexed hereto as Exhibit C. In addition, at Closing, Seller shall deliver to Purchaser evidence reasonably satisfactory to Purchaser that all Service Contracts (other than 1996 RAB-Local 32B-32J Commercial Building Agreement dated February 4, 1996(the "Union Contract")) have been terminated effective on or prior to Closing. Seller shall indemnify and hold Purchaser harmless from and against any and all claims, liability, costs, charges, expenses, losses and fees (including, but not limited to, reasonable attorneys' fees) arising out of, resulting from, or related to Seller's acts or omissions under, or in connection with, the Service Contracts or from Seller's failure to have so terminated same (other than the Union Contract).
2. ("in Seller's possession," for the purposes of this Section 10, being deemed to include items in the possession of Seller's managing agent or any other person or entity controlled by Seller)
3. and all other exceptions (other than Permitted Exceptions)
4. in the form annexed hereto as Exhibit D,
- 4A. including, without limitation, the Bill of Sale referred to in Section 4.27 above, the Ernst & Young Letter referred to in Section 17.09 below (to the extent not delivered to Purchaser prior to Closing), the estoppel certificates referred to in Section 17.10 and the Release Documents (as defined in Section 17.11 below)
5. (to the extent not paid by a wire transfer)
6. in the form annexed hereto as Exhibit B.
7. transferred
8. To the extent Seller has been paid any rent or Additional Rent which is attributable in whole or in part to the period after Closing, Seller shall promptly pay the amount of rent or Additional Rent attributable to such period to Purchaser, Seller hereby agreeing that such obligation shall survive the Closing.

1. Purchaser that such charges, liens and encumbrances will not be collected out of or enforced against the Premises,
- 1A Notwithstanding anything contained in this Agreement which may be deemed to the contrary, except for the title exceptions listed in insert no. 4 to Schedule B to this Agreement (which lists additional Permitted Exceptions nos. 8 and 9), it is agreed that the obligation of the Purchaser to close under this Agreement is conditioned upon, and shall be subject to, Purchaser's title company insuring Purchaser's title to the Premises free and clear of all of the title exceptions set forth in Schedule B to the title commitment issued by First American Title Insurance Company of New York, report date 12/31/97, title no. 135NANY23501 (the "Title Report"), except for exception no. 11. Seller, at no cost or expense to Purchaser, shall deliver to Purchaser and to Purchaser's title company, all affidavits, instruments, undertakings, certificates and other documentation requested or required by Purchaser's title company to so insure Purchaser's title.
2. Except as otherwise expressly permitted in this contract, all notices, demands, approvals, consents, requests and other communications which under the terms of this contract, or under any statute, must or may be given or made by the parties hereto, must be in writing, and must be made either (i) by depositing such notice in the registered or certified mail of the United States of America, return receipt requested, or (ii) by delivering such notice by a commercial courier, which courier provides for delivery with receipt guaranteed, or (iii) by hand delivery, addressed to each party as follows:
  - If to Purchaser: at the address set forth on the first page of this contract, Attention: Benjamin P. Feldman, Esq.
  - With a copy to: Greenberg, Traurig, Hoffman, Lipoff, Rosen & Quentel, P.C.  
200 Park Avenue  
New York, New York 10166  
Attention: Robert J. Ivanhoe, Esq.
  - If to Seller: at the address set forth on the first page of this contract, Attention: Stephen L. Bernstein, Esq.
  - With a copy of to: Sankel Skurman & McCartin LLP  
750 Third Avenue - 29th Floor  
New York, New York 10022
  - If to Escrowee: Sankel Skurman & McCartin LLP  
750 Third Avenue - 29th Floor  
New York, New York 10022All notices, demands, approvals, consents, requests and other communications shall be deemed to have been delivered (i) if mailed as provided for in this Section, on the date which is three (3) business days after mailing or (ii) if sent by commercial courier, on the date which is one (1) business day after dispatching, or (iii) if sent by hand delivery, on the date of such delivery or refusal to accept same. Either party may designate by notice in writing given in the manner herein specified a new or other address to which such notice, demand, approval, consent, request or other communication shall thereafter be so given or made.
3. Except as otherwise provided in this contract, all representations, warranties, covenants and other obligations of Seller set forth in this contract shall survive the Closing for six (6) months. Notwithstanding anything contained in this contract to be contrary, the covenants, obligations and representations of Seller set forth in: the last sentence of Section 4.07, Sections 4.14, 4.15, 4.27, 4A.03, 9.05, 9.10 and 9.11, the last sentence of

insert no. 1 to Section 10.06, and Sections 12.03, 14.01 and 17.11, shall survive the Closing indefinitely, subject to applicable statutes of limitation.



A. 17.09 Upon not less than two (2) business days' prior written notice to Seller, Seller shall execute and deliver to Purchaser the letter (the "Ernst & Young Letter") in substantially the form attached hereto as Exhibit E. If Seller receives no such notice prior to Closing, then Seller shall execute and deliver the Ernst & Young Letter to Purchaser at Closing.

17.10 It shall be a condition to Purchaser's obligation to close title to the Premises in accordance with this contract that Seller deliver to Purchaser at Closing a tenant estoppel certificate (in the form annexed hereto as Exhibit D) duly executed and delivered by each of the Tenants that are leasing, in the aggregate, at least 5,000 rentable square feet of space in the Building, as indicated (with respect to Existing Tenants) on Schedule E hereto, and that each of such estoppel certificates be dated as of a date that is no more than thirty (30) days prior to the date of Closing. For the purposes of the preceding sentence, "Tenant" shall be deemed to include all subsidiaries and affiliates of the Tenant in question. In addition, Seller shall submit to all other tenants of the Building such tenant estoppel certificate and use its reasonable efforts to have such other tenants complete, execute and deliver same to Purchaser prior to Closing.

17.11 Seller hereby represents to Purchaser that Seller is in the process of having the facade of the Building restored and repaired at a cost of approximately \$1,500,000.00; that such restoration and repair work (the "Work") is being performed in three (3) successive phases; that the first (1st) phase has commenced but has not been completed; that through the date hereof, Seller has paid on account of the Work approximately \$300,000.00 and owes (approximately) an additional \$50,000.00 for Work performed to date; that the work is being performed by and under the supervision of Erectra Construction Corp. and Antonucci and Lawless, respectively (and collectively the "Contractors"), pursuant to two (2) separate agreements (collectively, the "Contracts") between Seller and the Contractors; and that in connection with the performance of the Work Rockledge Scaffold Corporation (the "Scaffolding Contractor") has furnished and installed scaffolding around all or portions of the Building. Immediately after the date of this Agreement, Seller shall terminate the Contracts (Seller agreeing to use its best efforts to minimize any payments that are required to be made to the Contractors to effectuate such termination (such payments being hereinafter referred to as the "Termination Payments"), and require the Contractors to cease all work, except for reasonably required protective and safety measures. Notwithstanding the foregoing, Seller shall not terminate the contract with the Scaffolding Contractor in respect of such scaffolding, and through Closing shall maintain such scaffolding at its sole cost and expense. From and after Closing, Seller shall have no obligations in respect of such scaffolding, except to the extent that Seller failed to pay for such maintenance. (The amount paid by Seller on account of the Work performed through the date of this Agreement, plus the amount owed but not paid on account of the Work performed through the date of this Agreement, plus any Termination Payments, all as reasonably documented by Seller, is hereinafter referred to as the "Work Amount"). Seller shall use its best efforts to minimize the Work Amount. To the extent that the Work Amount is less than \$500,000.00, Purchaser shall receive at Closing a credit in the amount of the difference between \$500,000.00 and the Work Amount. To the extent that the Work Amount is more than \$500,000.00, Seller shall receive at Closing a credit in the amount of the difference between the Work Amount and \$500,000.00. Notwithstanding anything contained in this Agreement which may be deemed to the contrary, it shall be a condition to Purchaser's obligation to close title to the Premises in accordance with this contract that Seller deliver to Purchaser at Closing (a) duly executed and acknowledged lien waivers from the Contractors, all of their subcontractors, materialmen and suppliers, and the Scaffolding Contractor, in the amounts paid to the Contractors, such subcontractors, materialmen and suppliers, and the Scaffolding Contractor, (b) duly executed and acknowledged general releases from the Contractors in respect of the Work, and (c) a duly executed letter from the

Scaffolding Contractor to both Seller and Purchaser acknowledging that all amounts due and payable in respect of such scaffolding have been paid (other than the \$500.00 per month rental therefor that is due for the period from and after the Closing Date) and that if and when Seller or Purchaser elects to have such scaffolding dismantled and removed from the Premises, the scaffolding shall be so dismantled and removed at no cost or expense to Seller or Purchaser; all of the foregoing in form and content reasonably satisfactory to Purchaser (all of the foregoing being here referred to as the "Release Documents"). In addition, Seller shall indemnify the Purchaser against and hold the Purchaser harmless from all losses, damages, liabilities and expenses (including, without limitation, attorneys' fees and disbursements) suffered, paid or incurred by the Purchaser as a result of the termination of the Contracts, Seller's failure to terminate the Contracts, or otherwise relating to the Work.

1. Existing
2. Schedule E hereto
3. provided none of the foregoing render title to the Premises uninsurable.
4. 8. the Leases
9. (a) Covenants, restrictions and easements set forth in Liber 5089, Cp. 461
- (b) Covenants, restrictions and easements set forth in Liber 5078, Cp. 366
- (c) Party wall agreements recorded in Liber 124, Sec. 4, Cp. 77, Liber 1488, Cp. 275 and Liber 2097, Cp.34, provided that at no additional premium, Purchaser's title company will insure Purchaser that (A) none of the improvements on the Premises violate said party wall agreements, and (B) that there are no defaults under said party wall agreements.

1. , or by wiring immediately available federal funds
2. First American Title Insurance Company of New York
3. The Closing shall take place on or about the date which is sixty (60) days after Seller delivers to Purchaser a fully executed counterpart of this Agreement, which date may be extended by Purchaser one (1) or more times, for up to an additional thirty (30) days, in the aggregate, by Purchaser giving to Seller notice of Purchaser's desire to so extend on or prior to the date on which the Closing is then scheduled to occur, provided that, contemporaneously with the giving of such notice in respect of the first of such extensions, Purchaser gives a copy thereof to Escrowee, and either with or prior to the giving of such copy to Escrowee, Purchaser deposits with Escrowee, either by wire transfer or by check, an additional Downpayment of \$900,000.00, to be held by Escrowee in accordance with, and subject to, all of the applicable provisions of this Agreement that are applicable to the Downpayment. Notwithstanding the foregoing, on not less than five (5) business days prior written notice to Seller, Purchaser may accelerate the date of Closing to a date that is no earlier than February 10, 1998, without payment or penalty of any kind.
4. At Purchasers' attorney's office or at such other office as may be designated by Purchaser's lender.
5. As set forth in the "Tax Search" portion of the Title Report. The tentative assessment for 1998/1999 is \$5,760,000.00.
6. None
7. None.
8. See the Rider attached hereto containing Sections 25 through 27, which by this reference is made a part hereof. In addition to the Schedules listed in the Table of Contents on the first page of this Agreement, attached hereto and made a part hereof are:

Schedule F Payroll Schedule  
Schedule G Service Contracts  
Schedule H Violations

Exhibit A Assignment of Leases and Security Deposits  
Exhibit B Assignment of Permits, Certificates and Licenses  
Exhibit C Notice to Tenants  
Exhibit D Form of Tenant Estoppel Certificate  
Exhibit E Ernst & Young Letter  
Exhibit F Bill of Sale

RIDER TO CONTRACT OF SALE, DATED AS OF JANUARY 20, 1998  
BETWEEN THE FIRST REPUBLIC CORPORATION OF AMERICA, SELLER,  
AND SL GREEN OPERATING PARTNERSHIP, LP, PURCHASER

Section 18. Conflicts.

18.1 In the event of a conflict or inconsistency between the terms and provisions of the printed form of contract of sale and this rider, the terms and provisions of this rider shall prevail.

Section 19. Latent Defects. Etc.

19.1 Seller shall not be responsible for any latent, patent or other defect or change in the condition of the Premises or personal property, including without limitation, the presence of asbestos, chlordane, radon, PCB's, urea formaldehyde, gasoline or diesel fuel or any other chemicals, substances or materials which may or may not cause or pose hazardous health conditions or in any way diminish the value of the Premises.

Section 20. Existing Mortgage Prepayment Fee.

20.1 Seller represents that there is an existing mortgage on the Premises having a principal balance on the date of this contract of \$6,118,687.53 which mortgage will be prepaid by Seller on the date of Closing, together with a prepayment charge equal to 4% of the amount of principal prepaid, and Purchaser agrees that, at the Closing, it will pay such charge or reimburse Seller for the payment thereof, as additional consideration for the purchase of the Premises. Seller shall request that the holder of said mortgage assign same to Purchaser or to Purchaser's designee at Closing.

Section 21. Authorization of Attorneys.

21.1 The respective attorneys for the parties are hereby authorized to give any notice which the party is required to give or may give under this contract.

Section 22. Seller's Execution.

22.1 This contract shall not be binding upon Seller and Seller shall incur no obligation of any kind to Purchaser unless and until a fully executed counterpart of this contract is delivered to Purchaser's attorney. Such delivery shall be deemed a condition of this contract. All references herein to the "date of this contract" or the "date of this Agreement" shall, for the purposes of determining the running of any time periods, mean the date of the full execution and delivery of this contract.

Section 23. Dishonor of Payment Checks.

23.1 If payment made on account of the down payment is by check or checks, and if any of said check or checks fails due collection, Seller, at its option, may declare this contract null, void and of no force and effect, and may pursue its remedies against Purchaser upon said check.

23.2 Any checks payable upon the Closing for any balance due on account of the Purchase Price due hereunder or any adjustments due Seller shall be strictly in accordance with the terms of Section 2.02 of the printed portion of this contract, and shall be unendorsed bank checks or unendorsed certified checks of Purchaser payable to the order of Seller. Purchaser hereby guarantees the prompt payment of any and all such checks without necessity for notice and proof of presentment and dishonor. If any such check or any other check accepted by or on behalf of Seller is not signed by Purchaser as "maker," Purchaser hereby approves and guarantees the payment of such checks by the signing of this contract and hereby agrees that all such checks shall be treated as if they had been signed by Purchaser as well as the maker thereof. The provisions of this Section and the guaranties made herein shall survive the closing of title.

Section 24. Seller's Representations.

24.1 Seller makes the following representations and warranties that shall survive the Closing of this contract:

(a) Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and is authorized to do business in the State of New York.

(b) Seller has all requisite corporate power and authority to enter into and perform all the transactions contemplated by this contract. This contract is a legal, valid and binding obligation of Seller.

(c) Seller has duly authorized the execution, delivery and performance of this contract and has or will duly authorize each agreement, document, or instrument required to be executed and delivered by Seller pursuant to this contract. The execution, delivery or performance of this contract or any other such document will not violate any term of its certificate of incorporation and by-laws or any other agreement, judicial decree, statute or regulation to which Seller is a party or by which Seller may be bound or affected.

(d) The execution and delivery by Seller of this contract and all documents associated therewith and the performance by Seller of its obligations thereunder (i) do not constitute a violation of any provision of law, any order, regulation, or decree of any court or agency of government, or any indenture, mortgage, deed, trust agreement, or any other instrument to which Seller is a party or by which it or any of its property is subject to or bound, and (ii) are not in conflict with nor will they result in a breach of or constitute (with due notice and/or lapse of time) a default under any such agreement or any other instrument.

Section 25. Purchaser's Representations.

25.1 Purchaser makes the following representations and warranties that shall survive the Closing of this contract:

(a) Purchaser is a limited partnership duly organized, validly existing and in good standing under the laws of the State of Delaware and is authorized to do business in the State of New York.

(b) Purchaser has all requisite power and authority to enter into and perform all the transactions contemplated by this contract. This contract is a legal, valid and binding obligation of Purchaser.

(c) Purchaser has duly authorized the execution, delivery and performance of this contract and has or will duly authorize each agreement, document, or instrument required to be executed and delivered by Purchaser pursuant to this contract. The execution, delivery or performance of this contract or any other such document will not violate any term of its partnership agreement or any other agreement, judicial decree, statute or regulation to which Purchaser is a party or by which Purchaser may be bound or affected.

(d) The execution and delivery by Purchaser of this contract and all documents associated therewith and the performance by Purchaser of its obligations thereunder (i) do not constitute a violation or any provision of law, any order, regulation, or decree of any court or agency of government, or any indenture, mortgage, deed, trust agreement, or any other instrument to which Purchaser is a party or by which it or any of its property is subject to or bound, and (ii) are not in conflict with nor will they result in a breach of or constitute (with due notice and/or lapse of time) a default under any such agreement or any other instrument.

#### Section 26. Assignment.

26.1 This contract is not assignable by Purchaser without express, prior, written consent of the Seller, except, however, that Purchaser may assign the contract to an entity wholly owned by it upon written notice to Seller but without Seller's consent. If such entity is a corporation, it is a condition of this right to assign that the entity be duly organized, validly existing and in good standing under the laws of the State of its incorporation and that it be authorized to do business in the State of New York. In no event shall the assignment of this contract by Purchaser relieve it of its responsibility for the payment and performance of the obligations of Purchaser hereunder that survive Closing.

#### Section 27. Miscellaneous.

27.1 Except as otherwise provided herein, the customs with respect to title closings recommended by the Real Estate Board of New York shall apply to the apportionments to be made at the Closing.

27.2 This contract may be executed in any number of counterparts each of which shall be deemed an original but all of which together shall constitute one and the same instrument.