

1/22/97 Rickle, Tzyp

for your review prior to
Thursdays meeting.

LEASE NO. [REDACTED]

7/24/97 Mtg.

LEASE BETWEEN

THE CITY OF ~~NEW YORK~~ NEW YORK
DEPARTMENT OF CITYWIDE ADMINISTRATIVE SERVICES
1 CENTRE STREET, 20TH FLOOR NORTH
NEW YORK, NEW YORK 10007

7/31/Mtg.

&

7 WORLD TRADE COMPANY, L.P.

Premises: 7 World Trade Center (Block , Lot),

Borough of Manhattan

Approximately 45,815 square feet of space
to be used by the

Mayor's Office of Emergency Management

Date Prepared _____	Date _____
Review by: Attorney _____	Date _____
Architect _____	Date _____
Negotiator _____	Date _____
SENT TO LANDLORD _____	Date _____

BOILERPLATE LEASE "A"

REVISED JANUARY 31, 1997

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THE CITY OF NEW YORK
DEPARTMENT OF CITYWIDE ADMINISTRATIVE SERVICES
DIVISION OF REAL ESTATE SERVICES
1 CENTRE STREET, 20TH FLOOR NORTH
NEW YORK, NEW YORK 10007

AGREEMENT OF LEASE made the _____ day of _____ 1997, <

>between 7 WORLD TRADE COMPANY, L.P., a Delaware limited partnership, whose address is, 521 Fifth Avenue, New York, New York 10175 hereinafter designated as Landlord, and THE CITY OF NEW YORK, a municipal corporation, acting through the Department of Citywide Administrative Services, with an address at 1 Centre Street, 20th Floor North, New York, New York 10007, hereinafter designated as Tenant.

WITNESSETH:

WHEREAS, the parties hereto desire to enter into a lease <

>of <> approximately 45,815 rentable square feet of office space; and

<[WHEREAS, the City Planning Commission has approved the acquisition of the

Set. aforesaid premises on, 199, (Calendar No.) pursuant to 195 of the New York City Charter, and the City Council did not disapprove the proposed acquisition of the aforesaid premises; and/or

WHEREAS, the City Planning Commission has approved this acquisition on, 199, (Calendar No.) pursuant to 197-e of the New York City Charter and (describe City Council action taken, if any); and}

>WHEREAS, this Lease is subject to public hearing and Mayoral approval pursuant to §1602

(3)(a) of the New York City Charter, said hearing to be scheduled subsequent to the execution by the Landlord of this Lease; and

WHEREAS, this ~~<lease>~~ Lease may be executed by the Deputy Commissioner of the Department of Citywide Administrative Services after public hearing and Mayoral approval pursuant to §1602 (3)(a) of the New York City Charter and ~~<subject to>~~ after approval as to form by the Corporation Counsel of the City of New York~~<, and~~

~~WHEREAS, the Board of Directors of Landlord by resolution adopted on , authorized the execution of this Lease by one of its officers>~~ .

NOW, THEREFORE, Landlord hereby leases to Tenant and Tenant hereby leases from Landlord subject to public hearing and mayoral approval and subject to approval as to form by Corporation Counsel, the following described premises (hereinafter referred to as the "~~<">~~ Demised Premises"~~<">~~): approximately 45,815 rentable square feet of office space on the 23rd floor of the building (hereinafter referred to as the "~~<"Building">~~ Building") located at 7 World Trade Center (Block , Lot) in the Borough of Manhattan, on the certain premises and the air rights above the same demised to Landlord by the Underlying Lease (the "Land").

The Demised Premises shall be used by the Mayor's Office of Emergency Management for executive and general offices for its domestic and international activities, such uses and activities to be conducted in a manner consistent with a first-class office building and for no other purpose whatsoever or for such other similar purposes as the Commissioner of Citywide Administrative Services may determine, consistent with the aforesaid upon the terms and conditions hereinafter set forth. The floor plans of the leased area shall be made a part of the Lease as Exhibit _____. The square footage of~~<~~
~~Landlord hereby represents that>~~ the Demised Premises consists of the rentable square footage set

Refer to floor plan

forth above, said square footage is accurate and the City relies upon these representations has been reviewed and verified by the Department of Citywide Administrative Services, Department of Real Estate Services ("DRES").

ARTICLE 1

TERM

The term ~~<of this Lease is (-) years, commencing upon the earlier to occur of [(1) the date of occupancy, as certified by Space Design Unit of the Bureau of Leasing Acquisitions and Space Design of the Division of Real Estate Services of the Department of Citywide Administrative Services(DRES) or (2) Substantial Completion of Landlord's alterations and improvements, as certified by DRES and hereinafter defined in Article 6 of this Lease (the "Commencement Date")]~~ and expiring at midnight of the day before the ~~(-) anniversary of such Commencement Date~~ ^{approx} ("Term") of this Lease is twenty(20) years, commencing upon January 1, 1998 ("Commencement Date") and expiring at midnight on December 31, 2017 ("the Expiration Date"), or shall end on such earlier date upon which the Term may expire or be cancelled or terminated pursuant to the covenants or conditions of this Lease or pursuant to law.

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of 1st Phase*

ARTICLE 2

RENT

The ~~<Base Rent shall commence on the Commencement Date and shall be at the rate of (in words) (\$ -) per annum for the ; all other payments due to Landlord from Tenant under this Lease shall be considered Additional Rent. Base Rent and Additional Rent shall be referred sometimes as rent in this Lease. Base Rent shall >~~ "rents" reserved under this Lease, for the Term thereof,

shall be and consist of:

(a) "Base Rent" (or "fixed rent") at the following annual amounts:

(i) ONE MILLION TWO HUNDRED EIGHTY TWO THOUSAND EIGHT HUNDRED TWENTY and 00/100 (\$1,282,820.00) Dollars (\$106,901.67 per month) for the period commencing on the Rent Commencement Date and ending on the day next preceding the fifth (5th) anniversary of the Rent Commencement Date, both dates inclusive (the "1st Rental Period");

— (ii) ONE MILLION SIX HUNDRED THREE THOUSAND FIVE HUNDRED TWENTY-FIVE and 00/100 (\$1,603,525.00) Dollars (\$133,627.08 per month) for the period commencing on the day next succeeding the expiration of the 1st Rental Period and ending on the day next preceding the tenth (10th) anniversary of the Rent Commencement Date, both dates inclusive (the "2nd Rental Period");

— (iii) ONE MILLION SIX HUNDRED NINETY-FIVE THOUSAND ONE HUNDRED FIFTY-FIVE and 00/100 (\$1,695,155.00) Dollars (\$141,262.92 per month) for the period commencing on the day next succeeding the expiration of the 2nd Rental Period and ending on the day next preceding the fifteenth (15th) anniversary of the Rent Commencement Date, both dates inclusive (the "3rd Rental Period"); and

(iv) ONE MILLION NINE HUNDRED TWENTY-FOUR THOUSAND TWO HUNDRED THIRTY and 00/100 (\$1,924,230.00) Dollars (\$160,352.50 per month) for the period commencing on the day next succeeding the expiration of the 3rd Rental Period and ending on the Expiration Date (the "4th Rental Period").

which shall be payable in equal monthly installments at the end of each ~~calendar month~~, provided

7 months
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that for the months in which the ~~Commencement Date~~ and every calendar month during the Term. The term "Rent Commencement Date" shall mean January 1, 1999 and be applicable solely as to Base Rent, it being agreed that additional rent and all other charges (including escalations under Article 4 and electricity under Article 10) shall begin on the Commencement Date); and

~~<the date of expiration of the term of this Lease occur,>~~ (b) "additional rent" consisting of all such other sums of money as shall become due from and payable by Tenant to Landlord hereunder (for default in payment of which Landlord shall have the same remedies as for a default in payment of Base Rent), all to be paid to Landlord at its office, or such other place, or to such agent and at such place, as Landlord may designate by notice to Tenant, in lawful money of the United State of America, by check drawn on a bank or trust company which is a member of the New York Clearing House Association (or successor thereto).

Tenant shall pay ~~<only a pro rata share of the monthly installment for the period of its occupancy. All rent (Base Rent and Additional Rent) shall be payable at Landlord's address hereinbefore set forth or at such other address as may be designated by Landlord from time to time, by notice in the manner provided in Article 21 hereof>~~ the Base Rent and additional rent herein reserved promptly as and when the same shall become due and payable, without demand therefor and without any abatement, deduction or setoff whatsoever except as expressly provided in this Lease. If the Rent Commencement Date occurs on a day other than the first day of a calendar month, the Base Rent for such calendar month shall be prorated and the balance of the first month's fixed rent theretofore paid shall be credited against the next monthly installment of Base Rent.

All bills sent by Landlord to Tenant shall have clearly reflected thereon the property, address, and block and lot for which the bill is being sent. All bills must be legible and must contain the address to which the payment should be sent. The name, address, and telephone number of the Landlord's contact person for billing ~~and~~ inquiries must be provided to Tenant in the manner designated in Article 21 hereof.

ARTICLE 3

OPTION TO TERMINATE

The Tenant shall have the right to terminate this Lease, in whole ~~or in part~~, without any penalty or liability to Tenant, effective as of the ~~second (2nd) anniversary of the Commencement Date or at any time thereafter, upon sixty (60) days~~ end of the 2nd Rental Period, upon eighteen (18) months prior written notice to the Landlord, in which event, this Lease shall terminate at the end of the 2nd Rental Period as if such date were the Expiration Date. Time shall be of the essence with respect to the giving of such notice by Tenant.

ARTICLE 4

TAX AND OPERATING EXPENSE ESCALATIONS

Landlord and Tenant agree that in addition to the annual base rental provided for in the preceding paragraphs of this Lease, additional rent shall be payable, consisting of Real Estate Tax Escalations or Pilot Escalations and Operating Expense Escalations as those terms are hereinafter defined. Landlord ~~hereby represents that~~ and Tenant agree Tenant's pro-rata share of Real Estate Tax Escalations, Pilot Escalations, and Operating Expense Escalations accurately reflects the ratio of Tenant's rentable square footage to the total rentable square footage in the Building.

A. 1. BASE YEAR OPERATING EXPENSES

"Base Year Operating Expenses" shall be defined as all reasonable costs and expenses (and taxes thereon), without duplication, paid or incurred by Landlord in [see A.2. 1.4, i.e. the Operating Expense Base Year,] in the reasonable exercise of Landlord's business judgment with respect to ~~the~~ following:

I. Items included in Operating Expenses

- (1) Labor costs for the services of the following classes of employees performing services required in connection with the operation, cleaning, safety, security, repair and maintenance of the ~~<Building>~~ Real Property (including, without limitation, all Building equipment):

~~<(i)>~~ (I) the Building manager who works full time on the Building.

- (ii) engineers, mechanics, electricians, plumbers, porters and janitors engaged on a full or part-time basis in the actual operation, repair and maintenance of any part of the ~~<Building, >~~ Real Property, including but not limited to cleaning ~~< >~~ or ~~[excluding cleaning]~~ and the heating, air conditioning, ventilating, plumbing, electrical ~~<and>~~, elevator and all systems of the ~~<Building>~~ Real Property, provided that in the case of such part-time employees only the costs attributable to the ~~<Building>~~ Real Property shall be included.

- (2) ~~<(i)>~~ (I) The competitive ~~(industry standard)~~ cost of materials and supplies used in the operation, cleaning, safety, security, repair and maintenance of the ~~<Building>~~ Real Property including, but not limited to, painting ~~<of the Demised Premises>~~ and removal of graffiti ~~<[including but not limited to cleaning] or [excluding cleaning] and the real property on which it is located>~~.

- (ii) The competitive ~~(industry standard)~~ cost of independent contractors performing services required for the operation, repair, cleaning, safety, security and maintenance of the ~~<Building>~~ Real Property including extermination services once each month ~~<[including but not limited to cleaning] or [excluding cleaning]>~~.

~~(iii)~~ (3) The annual amortization (on a straight-line basis over a depreciable life in accordance with generally accepted accounting principles consistently applied, with interest calculated at an annual rate of two (2) percentage points above the then current Base Rate at the time of Landlord's having made such expenditure) of expenditures incurred by Landlord after the Commencement Date for any equipment, device or capital improvement which is required by law or insurance requirements or which is reasonably designed as a cost-saving measure (and the annual amortization in respect of which bears a reasonable relationship to the amount of actual savings) in the operation or maintenance of the Real Property or the Building equipment (including, without limitation, the Building electrical equipment (including, without limitation, the Building electrical transformers). The term "Base Rent" as used in the Lease shall mean the rate of interest publicly announced from time to time by Citibank, N.A., or its successor, as its "base rate" (or such other term as may be used by Citibank, N.A., from time to time, for the rate presently referred to as its "base rate").

(4) Management fees provided that said management fee shall be no higher than that which is ordinary and customary for first class office buildings in Manhattan in the real estate management industry in Manhattan.

(5) The costs of electricity and all other utilities for the common areas of the Building, including taxes thereon.

(6) "All Risk" fire insurance, including rent insurance.

II. Items Excluded from Operating Expenses

- (1) The cost of correcting defects in the construction of the Building or in the Building equipment, except that conditions (not occasioned by construction defects) resulting from ordinary wear and tear shall not be deemed defects for the purpose of this category;
- (2) Cost of any repair made by Landlord to remedy damage caused by or resulting from the negligence of Landlord, its agents, servants or employees;
- (3) Labor costs in respect to executives of Landlord not assigned to the Building as part of the normal Building operation staff;

- (4) Taxes, Pilot and Real Estate Taxes as defined below;
- (5) Legal, accounting or other professional fees (including without limitation, brokerage, and finder's and advertising fees incurred to attract, Lease to, or procure new tenants) ~~<=>~~ other than legal and auditing fees reasonably incurred in connection with the maintenance and operation of the Real Property or in connection with the preparation of statements required pursuant to this Article or similar lease escalation provisions in other leases for space in the Building.
- (6) Any public liability insurance premium;
- (7) Interest for late payments of water and sewer rents;
- (8) The cost of any items for which Landlord is reimbursed by insurance or which are reimbursable by insurance;
- (9) The cost of extraordinary services provided for other tenants within the premises respectively demised to such tenants;
- (10) The costs attributable to the correction or remedying of any act or omission of any tenant in the Building where such tenant is liable for the correction or remedying of any such act or omission under its lease with Landlord;
- (11) Any cost (of electricity or any other item) for which Landlord is reimbursed by any tenant of the Building;
- (12) The cost of repair or rebuilding caused by fire or other casualty or condemnation;
- (13) ~~<The cost of any alterations, additions, changes, replacements and other items which under generally accepted accounting principles consistently applied are properly classified as capital expenditures, excepting only such capital expenditures which shall be made for replacements of Building equipment and property during the Operating Expense Base Year, the repair cost of which would exceed fifty percent (50%) of the cost of replacement and accordingly, the Landlord reasonably determined the cost of repair warrants replacement thereof in lieu of repair, and such allowable expenditures shall be included on a straight line basis, to the extent such items are amortized over their useful life in accordance with generally acceptable accounting principles. Landlord shall furnish Tenant with reasonable evidence confirming both the repairs and the replacement cost referred to herein;~~
- ~~(14)>~~ The cost of any alterations to prepare space for occupancy of any tenant in the Building;
- ~~<(15)>~~ (14) Expenses resulting from any violations by Landlord of the terms of

this Lease or any other lease in the Building;

- ~~<(16)>~~ (15) Refinancing costs and mortgage interest and amortization payments;
- ~~<(17)>~~ (16) Any item otherwise indicated in this Lease to be performed at Landlord's sole cost and expense; and
- ~~<(18)>~~ (17) Any item otherwise indicated in this Lease to be performed by Landlord but paid for by Tenant as additional rent or otherwise.

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100%

The intent of the parties is that Tenant shall pay its proportionate share of increases in Base Year Operating Expenses (i.e. Operating Expense Escalations) based on the Building being ~~<fully>~~ ninety-five percent (95%) occupied. Accordingly, in determining the amount of Base Year Operating Expenses, if less than ~~<one hundred>~~ ninety-five percent ~~<(100%)>~~ (95%) of the Building rentable area shall have been occupied by tenant(s) at any time during any such Operating Expense Base Year, Base Year Operating Expenses shall be increased by an amount equal to expenses which would have been incurred in the Building under an operating clause such as this one had such occupancy been ~~<one hundred>~~ ninety-five percent ~~<(100%)>~~ (95%) throughout such Operating Expense Base Year.

Landlord shall be required to disclose and notify Tenant of any significant related party transactions the cost of which are included in the Base Year Operating Expenses. When such transactions occur prices of same must be in line with normal industry practice in New York City. Failure to notify Tenant of such related party transactions shall result in a disallowance of such costs not in line with normal industry practice in New York City that would otherwise be part of the Base Year Operating Expenses. ~~<If such related party transactions occurred and were disclosed but it is found by the Tenant that the cost thereof was excessive, then such charges shall be disallowed to the extent they exceed normal industry prices in New York City.>~~

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Within ~~<ninety (90)>~~ **one hundred twenty (120)** days after the expiration of the Operating Expense Base Year, Landlord shall furnish to Tenant a schedule of Operating Expenses for said Operating Expense Base Year. Such schedule of Base Year Operating Expenses must be prepared in a format no less detailed than that shown in Exhibit xxx hereto.

Such schedule of Base Year Operating Expenses must include a statement signed by the chief executive, chief operating, or chief financial officer of Landlord that avers that there is complete and accurate documentation in Landlord's files to support each and every charge included in Base Year Operating Expenses.

Landlord must have supporting documents for each and every Base Year Operating Expense or it will be disallowed.

Such schedule of Base Year Operating Expenses must be accompanied by a report of Landlord's Certified Public Accountant, which report must be based upon an audit conducted in accordance with generally accepted auditing standards and state whether the schedules of Base Year Operating Expenses present fairly the Base Year Operating Expenses of Landlord, as defined in the Lease.

If Landlord fails to furnish any statements under this Article relating to Base Year Operating Expenses or Operating Expense Escalations under A.2. below **within 180 days after the date due**, Tenant may, upon thirty (30) days' written notice, withhold all Additional Rent due and owing to Landlord ~~<, including but not limited to Real Estate Tax Escalations and>~~ **for** Operating Expense Escalations under A.2. below, until Landlord furnishes the foregoing statements. Tenant's liability for Operating Expense Escalations due pursuant to this Article and/or Landlord's liability for refunding any overpayment shall survive the expiration of the ~~<term>~~ **Term** hereof.

Pending any audit by the Tenant or Comptroller of Operating Expense Escalations for

any calendar and/or fiscal year, including the Operating Expense Base Year, Tenant shall pay Operating Expense Escalations pursuant to the foregoing provisions hereof for such year as billed by Landlord, provided, however, that Tenant shall have the right to withhold a disputed amount on account of Operating Expense Escalations until the dispute in question is resolved; ~~and upon~~ completion of such audit Tenant shall be allowed to deduct immediately overcharges detected upon audit from any installment of rent then becoming due, or if at the end of the Lease term Tenant shall be entitled to a payment from Landlord for such amounts within ~~seven (7)~~ thirty (30) days of Lease termination or expiration, except that if Landlord shall dispute the correctness of Tenant's audit, the dispute shall be resolved by arbitration, in the manner provided by the rules and before the American Arbitration Association (or any successor organization) in New York County, with a panel of three arbitrators and judgment on any award may be entered in any court having jurisdiction. Pending such determination, Tenant shall not be allowed to make any deductions from rent.

OPEN

Tenant shall have the right to copy, examine and audit Landlord's Base Year Operating Statement.

~~← A.2. Landlord's Statement of Operating Expense Escalations →~~ A.2
LANDLORD'S STATEMENT OF OPERATING EXPENSE
ESCALATIONS

Consumer Price Index Adjustments

1. Definitions

1.1 "Price Index" shall mean "The Consumer Price Index for U.S. City Average-All Urban Consumers (1982-84 equals 100), issued by the Bureau of Labor Statistics of the United

States Department of Labor.

1.2 “Base Price Index” shall mean the Price Index for the month of ~~<[first month of Operating Expense Base Year]>~~ January, 1998.

1.3 “Lease Year” shall mean each period of twelve (12) consecutive months, beginning on the first day of ~~<—————>~~ January of each calendar year, during the ~~<term>~~ Term of this Lease.

1.4 “Operating Expenses Base Year” shall mean ~~<[A] statement of an audited dollar amount; [B] the average Operating Expenses for the last three (3) calendar years prior to the calendar year in which this Lease is executed, or 110% of the Operating Expenses for the calendar year prior to the one in which this Lease is executed, whichever is lower; or [C] Operating Expenses for the calendar year in which this Lease is executed if this Lease is executed by the City before June 30 of the then current year, or the Operating Expenses for the next calendar year if this Lease is executed by the City on or after July 1 of the then current year. Such chosen year/option shall be the Operating Expense Base Year>~~ the calendar year 1998.

2. “Operating Expense Escalation” shall mean a sum payable by Tenant to Landlord each Lease Year computed by multiplying the sum representing the Base Year Operating Expenses as defined under Subsection A. 1 of this Article 4 by the percentage, if any, by which the average Price Index, as published for the month following the last month of the Lease Year in question, shall exceed the Base Price Index. Such sum shall be multiplied by ~~<—————percent(%)>~~ 2.37 % which represents Tenant pro rata share of Operating Expenses for the Building. (See example for calculating CPI Index changes below.)

3. Such Operating Expense Escalation for every Lease Year which follows the Operating Expense Base Year shall be billed and paid as follows:

(a) Within five weeks after the beginning of any such Lease Year, Landlord shall deliver to Tenant a statement (hereinafter the "Estimate") showing the estimated amount of such Operating Expense Escalation payable for the then current Lease Year, which estimated amount shall be calculated by using the previous Lease Year's CPI factor according to 2. above. Tenant shall pay Landlord the same sum, in equal monthly installments (such monthly installment hereinafter referred to as the "Amount") in arrears on the last day of each and every month during such Lease Year. Such Estimate shall be on account of the Operating Expense Escalation accruing under this Subsection A.2, subparagraph 3 (b), below for the then current Lease Year.

(b) Within five (5) weeks after the end of the Lease Year, in which such Amounts were payable under Subparagraph 3 (a) above, Landlord shall deliver to Tenant a statement of the Operating Expense Escalation payable by Tenant for such Lease Year, computed in accordance with 2. above. Such statement shall indicate the balance payable by Tenant after crediting Tenant with the aggregate of the monthly Amount payments made under Subparagraph 3. (a) above for such Lease Year. The amount of such balance shall be paid by Tenant to Landlord within 45 days after delivery of such statement. If there is an overpayment by Tenant Landlord shall refund the overpayment to Tenant within 45 days after delivery of the aforesaid statement.

4. Landlord shall not be obliged to make any adjustments or recomputations, retroactive or otherwise, by reason of any revision which may later be made in the figure of the Price Index first published for any month. The Price Index published for any Lease Year shall, for the purpose of this Subsection A.2., be deemed no lower than the Base Price Index.

5. If the Price index ceases to use the ~~1982~~ 1982 -84 average equaling 100 as the basis of calculation, then the Price Index shall be appropriately adjusted to reflect the change in the Price Index from that in effect at the date of this Lease. If such Price Index shall no longer be

published by said Bureau, then any substitute or successor index published by said Bureau or other governmental agency of the United States, and similarly adjusted as aforesaid, shall be used. If such Price Index (or a successor or substitute index similarly adjusted) is not available, a reliable governmental or other reputable publication selected by Landlord and Tenant jointly and evaluating the information theretofore used in determining the Price Index shall be used.

6. If any part of a year of the term of this Lease shall include any part of a Lease Year, Tenant's liability under this Subsection A.2. shall be apportioned so that Tenant shall pay only such part of the sums required to be paid under this Subsection A.2. that shall be included in the term of this Lease.

Example for calculating CPI Index changes.

Index point change	
CPI	
.....	118.5
Less CPI for previous period	
.....	113.8
Equals index point change	
.....	4.7
Percent Change	
Index point	

B. REAL ESTATE TAX ESCALATIONS

The term "Taxes" and "Real Estate Taxes" as used herein, shall mean the real estate taxes and assessments (excluding special assessments ~~↔~~ attributable to additions or capital improvements, other than replacements, to the Building which are not customary for a first-class office Building) on or with respect to the Building and the ~~land~~ Land upon which it is located, assessed, levied, or imposed by any governmental authority having jurisdiction.

Excluded (unless in substitution in whole or in part for Taxes and Real Estate Taxes) from the foregoing enumerations of Taxes and Real Estate Taxes will be (i) any income, franchise, inheritance, capital stock, excise, excess profits, occupancy or rent, gift, estate, payroll or stamp taxes or foreign ownership or control taxes or any so-called "Gains Tax" imposed pursuant to Article 31-B of the New York State Tax Law (the "Gains Tax") and deed tax or transfer tax imposed by Article 29 of the New York State Tax Law, and any mortgage recording tax imposed by Article 11 of the New York State Tax Law, (ii) any expenses incurred by Landlord, or Landlord's estate, including payments to attorneys and appraisers, in contesting the Taxes and Real Estate Taxes by tax certiorari proceedings and such expenses and payments shall be the obligation of Landlord, and (iii) any Taxes resulting from an increase of the assessed value of the Building attributable to additions or capital improvements (other than replacements) to the Building unless such addition or capital improvement was made in whole or in part for the benefit of ~~Tenant with its prior written consent~~ tenants generally. As of the date hereof, to the best of Landlord's knowledge, the only Taxes affecting the Building and/or the Land are the real estate taxes payable to the City of New York as Pilot.

Tenant covenants and agrees that for each lease year of the ~~initial lease term~~ Term

commencing with July 1, ~~<199>~~ **1998**, where the total annual Real Estate Taxes imposed or assessed upon the land and Building for such lease year is greater ~~<than or less>~~ than the Tax base for the New York City fiscal year **1997/1998** (hereinafter referred to as the "Real Estate Tax Base Year"), Tenant shall pay to Landlord as additional rent ~~<or receive from Landlord as a credit against rent (additional rent and/or base rent, at Tenants option), a sum equal to percent (%) of such increase or decrease>~~ **, a sum equal to two point three seven percent (2.37%) of such increase**, which represents Tenant's proportionate share of such increase ~~<or decrease>~~. The amount of such additional rent payable ~~<or rent credit receivable>~~ for any lease year having a duration of less than twelve (12) months shall be prorated.

The Tax base for the Real Estate Tax Base Year shall be the annual Real Estate Taxes finally imposed or assessed on the ~~<land>~~ **Land** and Building for the Real Estate Tax Base Year.

Appropriate credit shall be given for any refund obtained by reason of a reduction in the assessed valuation made by the assessors or the courts at any time during this Lease or at any time thereafter **taking into account Landlord's costs in obtaining any such reduction**. The original computations, as well as payments of additional rent, if any, under the provisions of this Article, shall be based on the original assessed valuation with adjustments to be made if and when the Tax refund, if any, has been paid to Landlord.

If the assessment of the land and Building shall be reduced for the Real Estate Tax Base Year as a result of protests of proceedings filed therefor, then the Tax base shall be amended to the amount actually collectible by the City of New York for the base fiscal tax year on the corrected assessment. Landlord shall ~~<have an obligation to immediately>~~ **use reasonable efforts to** notify Tenant in writing each time a tax assessment is challenged. ~~<C. RIGHT>~~ **This paragraph shall**

also apply to the Base Pilot Square Foot Factor,

1. The term "Pilot" shall mean (i) such payments as the Port Authority has agreed to pay the City of New York under an agreement dated 1967 as it may have been or may be hereafter supplemented or amended (the "City Agreement") and (ii) all payments in lieu of real estate taxes or assessments which may be agreed upon between the Port Authority and any governmental authorities (Federal, State or City, or any political subdivision thereof) other than as provided in the City Agreement, but not any amounts in excess of those imposed under the City Agreement.

2. The term "Pilot Square Foot Factor" shall mean the annual per rentable square foot factor used in computing the Pilot under the City Agreement for the relevant Tax Year. If payments under the City Agreement become payable on a basis other than an annual amount per occupied rentable square foot (as defined in Section 5.1.7 of the Underlying Lease), then unless such payments are separately assessed and levied or allocated to the Real Property, the Port Authority will allocate such payments equitably on the basis of proration between the total number of square feet in the World Trade Center subject to such payments and the total number of square feet in the Building subject to such payments and Landlord will notify Tenant of such allocation, in which event, the "Pilot Square Foot Factor" shall equal the payments so allocated to the Building divided by the Building Area, i.e., 1,936,000 square feet.

3. The term "Base Pilot Square Foot Factor" shall mean the Pilot Square Foot Factor applicable to the period July 1, 1997 through June 30, 1998 (as finally determined).

4. The term "Pilot Rate Multiple" shall mean the number of rentable square

feet allocated to the Demised Premises for purposes of Section 6.8 of the Underlying Lease, such number of rentable square feet to be determined pursuant to Section 5.1.7 of the Underlying Lease.

5. The term "Tax Year" shall mean the twelve (12) month period commencing July 1 of each year, or such other period of twelve (12) months as may be duly adopted as the fiscal year for real estate tax purposes in the City of New York.

6. (A) Tenant shall pay as additional rent for each Tax Year, all or any portion of which shall be within the Term a sum ("Tenant's Pilot Payment") computed by multiplying the Pilot Rate Multiple by the excess of the Pilot Square Foot Factor for such Tax Year over the Base Pilot Square Foot Factor. Tenant's Pilot Payment for each Tax Year shall be due and payable by Tenant within twenty (20) days after receipt of a demand from Landlord, based upon the most recent Landlord's Statement. If there shall be any increase or decrease in Pilot for any Tax Year, whether during or after such Tax Year, Landlord shall furnish a revised Landlord's Statement for such Tax Year. If a Landlord's Statement is furnished to Tenant after the commencement of a Tax Year in respect of which such Landlord's Statement is rendered, Tenant shall, within fifteen (15) days after receipt of such statement, pay to Landlord the amount of any underpayment of Tenant's Pilot Payment with respect to such Tax Year or in the event of any overpayment, Landlord shall pay to Tenant the amount of Tenant's overpayment. If at any time after the date hereof, Taxes or Pilot are required to be paid (either to the appropriate taxing authorities or to the Ground Lessor or as escrow payments to the holder of any superior mortgage or the lessor of any superior lease, in full or in monthly, quarterly or other installments on any date or dates other than as presently

required, then upon notice thereof from Landlord, Tenant's Pilot Payment and Tenant's Tax Payment shall be correspondingly accelerated or revised so that said Tenant's Pilot Payment and Tenant's Tax Payment are due at least thirty (30) days prior to the date payments are due to the taxing authorities or the Ground Lessor or the superior mortgagee.

(B) Only Landlord shall have the right to institute tax reduction or other proceedings to reduce the Taxes or the assessed valuation of the Real Property. Nothing herein shall obligate Landlord to file any application or institute any such proceeding.

(C) If a Tax Year begins prior to the Commencement Date or ends after the Expiration Date or sooner termination of this Lease (other than pursuant to Article 30), Tenant's Pilot Payment and Tenant's Tax Payment with respect to such Tax Year shall be apportioned in the ratio of the number of days in such Tax Year occurring within the Term to the total number of days in such Tax Year. If the Commencement Date shall occur on a date other than June 1 or December 1, and there shall be a Tenant's Pilot Payment and Tenant's Tax Payment payable with respect to the period commencing on the Commencement Date, such Tenant's Pilot Payment or Tenant's Tax Payment shall not become due until Landlord shall have furnished a Landlord's Statement with respect thereto and in no event until after the Commencement Date.

(D) Landlord will use reasonable efforts to obtain a waiver by the Port Authority for payment of Tenant's Pilot Payment from Tenant named herein. In the event any such waiver is obtained Tenant shall receive the benefit thereof during such period of waiver. If the Pilot Square Foot Factor (including the Base Pilot Square Foot Factor) shall be waived for Tenant and not be payable by Landlord to the Port Authority for the Demised

Premises, the Base Rent (on a per square foot basis) shall be reduced by the amount of such waiver. In the event Real Estate Taxes shall become payable for the Real Property, said reduction in Base Rent shall immediately cease and the Base Rent shall be fully restored to the rentals set forth in Article 2.

E. RIGHT TO AUDIT

Tenant and its authorized representative shall have the right to examine, copy and audit any and all books and records of Landlord, **pertinent to the escalations under this Article** including but not limited to original invoices, originals of executed contracts, original cancelled checks, general ledgers and books of original entry, for the purpose of verifying the accuracy of any statement furnished by Landlord to Tenant. All statements are subject to audit by the occupying agency or its representative and post-audit by the Office of the Comptroller. Landlord shall be required to retain the books and records required herein, at its main office or such other location within New York City as it may designate, for six (6) years after the period to which they relate.

Upon Tenant's request, Landlord shall ~~have an affirmative obligation to~~ notify Tenant of (i) any protest filed by any other tenant regarding any amounts billed pursuant to this Article and of (ii) any audits, resolution of audits, claims for refund of overpayments, settlements of overpayments, refunds of overpayments, and litigation and arbitration proceedings for recovery of overpayments, where such audits and other actions result in a determination that overcharges have occurred ~~For litigation and arbitration proceedings for recovery of overpayments, determination shall mean the trial — lower court or arbitrators determination, respectively, prior to any appeals~~ **under this Article**.

ARTICLE 5

LANDLORD'S INTEREST IN PREMISES

Landlord warrants and represents that it is the owner ~~<in fee of the Building, the Demised Premises, and the real property on which they are located>~~ of the leasehold estate demised under the Underlying Lease and is empowered and authorized to lease said premises as provided herein.

ARTICLE 6

~~<ALTERATIONS AND IMPROVEMENTS~~

~~(A) Landlord agrees, prior to the Substantial Completion Date, (as defined below), to make alterations and improvements (the Work") based on preliminary plans and a scope of work (the Preliminary Plans) prepared by DRES and approved by the occupying Agency and attached hereto as Exhibit and made a part hereof. The Work consists of alterations and improvements that Landlord shall perform at its own cost and expense (the Landlords Work) and alterations and improvements, the cost for which Tenant shall reimburse Landlord, in whole or in part, as hereinafter described (the Tenant Work).~~

~~Within ten (10) business days from the execution and delivery of this Lease by Tenant to Landlord, Landlord shall solicit and deliver bids from three (3) architects for the cost of preparing the Final Plans (as hereinafter defined) for the Work in its entirety and broken down into Landlords Work and Tenants Work cost components. The bids shall set forth the cost and the itemization of the selected architect's (hereinafter "Architect") work as described below. Within five (5) business days thereafter, DRES shall submit to Landlord either written (a) approval of one of the three (3) bids or (b) disapproval of all bids and the reasons therefor.~~

~~In case of disapproval of all three bids, DRES shall meet with Landlord within five (5) business days thereafter to attempt to resolve its objections failing which, Tenant may upon thirty (30) days written notice to Landlord terminate this Lease.~~

~~Landlord shall cause its Architect to prepare architectural and engineering plans and specifications (the "Final Plans"). The Final Plans must be (i) engineering and architecturally complete; (ii) coordinated with existing building conditions and facilities; (iii) conform to all NYC codes and all other applicable requirements (including but not limited to terms and conditions in the professional services requirement document prepared by DRES, i.e. Guide for Design Consultant; (iv) clearly distinguish Landlords Work from Tenants Work; (v) coordinated and based on the Preliminary Plans, and (vi) incorporate and elaborate on the Phasing Plan, in order to create a complete set of construction documents. The Final Plans must be filed by Landlord with the Building and Fire Departments and all other governmental authorities having jurisdiction.~~

~~Within thirty five (35) days from DRES's written approval of Landlord's Architect, Landlord shall cause said Architect to arrange for preparation of initial Final Plans and delivery of same to DRES and the Buildings, Fire Department and other regulatory agencies which require said submission. DRES will review and either approve or disapprove the Final Plans. In the event DRES shall not approve such Final Plans it shall indicate in writing the corrections required before such approval can be furnished. Thereafter, Landlord shall resubmit revised Final Plans within ten (10) business days and DRES shall approve or disapprove such revised drawings and indicate whatever corrections it requires within ten (10) business days after its receipt thereof; following which Landlord shall within five (5)~~

~~business days of his receipt of corrections required by DRES fully complete the revision of the Final Plans based on the requested corrections and furnish DRES with a complete set thereof for its approval;~~

~~Within ten (10) days after DRES's approval of the Final Plans, and prior to the commencement of the Work, Landlord shall submit to DRES Building Department administrative approvals with respect to Final Plans and completed DRES supplied cost estimate forms. The cost estimate forms shall be completed by the bidders approved by DRES and Landlord and shall indicate in detail the proposed cost of Tenants Work (hereinafter referred to as the "Tenant Work Cost") after Landlord, (i) shall have obtained three (3) competitive bids, proof of which will be supplied to DRES, by three (3) general contractors pre-approved by DRES, of which Landlord or an affiliated entity may be one; and (ii) shall have selected the lowest, responsible bidder.~~

~~The proposed Tenant Work Cost shall consist of all costs and expenses (excluding construction loan interest and related financing costs) charged to Landlord for:~~

~~(a) the DRES approved Architect's fees for the services required for Tenants Work requested by DRES, which are set forth above and any additional Architects fees' for major modifications or increases in the scope of the architect's services to the extent requested and authorized in writing signed by DRES;~~

~~(b) the filing fees for the submission of same to the appropriate governmental authorities for approval;~~

~~(c) the performance of all items of Tenants Work in accordance with the Final Plans; and~~

~~(d) one (1) general contractors general conditions fee and one (1) contractor's over head and profit to the extent indicated in contractor's bid only; Landlord shall not be entitled to be paid an administrative or management fee for the performance of Tenants Work. There shall be no double payment by Tenant of any items included in the Tenants Work Cost, including any components of overhead and profit and general contractors' fees;~~

~~Tenants Work Cost shall not include the preparation of plans and specifications and as built drawings relating to the Landlords Work or the expeditors fees and filing fees for the submission of same to the appropriate governmental authorities for approval relative to the Landlords Work;~~

~~{The total Tenant Work Cost shall not exceed (\$);~~

~~The Landlord shall pay the first (\$) of this sum. If the total Tenant Work Cost is less than (\$), then Tenant shall receive a credit against the rent equal to the amount the total Tenant Work Cost is less than (\$). If the Tenant Work Cost exceeds (\$), any balance up to a maximum of (\$) will be paid by Tenant. If the Tenant Work Cost exceeds (\$) DRES shall promptly meet with Landlord to resolve the overage.}~~

~~Notwithstanding the foregoing, the Tenant Work Cost may be further modified at a later date by Tenant requesting changes beyond the Final Plans, provided that with respect to such changes Tenant and Landlord shall have agreed as to nature, amount and cost thereof;~~

~~DRES may, within fifteen (15) business days of its receipt of Landlord's notice of the Tenant~~

~~Work Cost, approve or disapprove of the Tenant Work Cost. If DRES disapproves, it will meet with Landlord within five (5) business days to determine an agreed upon cost. As part of that process DRES will meet with the lowest bidder to resolve any discrepancies in unit prices and quantities. In the event Landlord and DCAS are unable to resolve their differences and agree upon the Tenants Work cost items, Landlord shall solicit bids from at least three (3) new general contractors designated by DCAS in which case the procedures and time frames with respect to the bids shall apply to such additional bids and bidders. Within five (5) business days from approval of the Tenants Work Cost and prior to commencing construction, Landlord will submit a copy of the Building Permit to DRES.~~

~~Landlord hereby warrants and represents that it has the financial capability and/or adequate financing to complete the Work in the time frames set forth herein. In that connection, within seven (7) days of Tenant's approval of the Tenants Work Cost, Landlord shall deliver to Tenant (a) a binding commitment for construction financing from an institutional lender in an amount sufficient to complete the Work or (b) such other evidence and assurances satisfactory to Tenant of Landlord's financial capability to complete the Work. Landlord's misrepresentation with regard to its ability to provide or obtain adequate financing shall constitute a basis for rescission of this Lease. In addition, if Landlord fails to comply with the foregoing, Tenant may terminate this Lease without penalty upon ten (10) days prior written notice to Landlord.~~

~~Tenants share of Tenants Work Cost shall be paid for initially by Landlord. Landlord shall have a continuing obligation to make regular periodic payments to its contractors at approximately thirty (30) day intervals in amounts reasonably commensurate with the~~

~~amount of progress towards Substantial Completion from the start of work up to the date of Substantial Completion, to ensure diligent and timely completion of the Work. The Demised Premises shall be deemed "Substantially Complete" and "Substantial Completion" shall be deemed to have occurred (the "Substantial Completion Date") upon (1) certification by DRES of Landlord's completion of the Work excepting minor details of construction or decoration which do not adversely affect Tenant's use of the Demised Premises; and (2) receipt by Landlord and delivery to DRES of (i) all applicable Building Department and Fire Department inspection sign-offs (including but not limited to Building Department Post Permit TR-1, Equipment Use Permits, a new Certificate of Occupancy, electrical and plumbing sign-offs, Fire Department and elevator inspections and sign-offs and compliance with the terms and provisions of Article of the Lease) (Asbestos) and (ii) certified air balancing report approved by Landlord's engineer as being in conformance with the Final Plans. DRES shall use reasonable efforts to certify or deny certification of Substantial Completion pursuant to (1) above within seven (7) business days after DRES receives written notice from Landlord of Landlord's determination that the Work is Substantially Complete; such notice from Landlord must include all items under (2)(i) and (ii) above. In the event the Certificate of Occupancy and/or sign-offs are temporary, Landlord will keep them all in full force and effect and will be solely liable for all costs in connection therewith. Landlord, prior to the commencement of the term hereof, shall remove all violations, including but not limited to Building Code and Fire Code violations, now pending or which may be placed against the Demised Premises or the real property of which they form a part, except those violations caused by Tenant's breach of the terms of this Lease.~~

~~Tenant's share of the Tenants Work Cost shall be paid for initially by Landlord. [(1) Landlord shall then be reimbursed by Tenant for Tenant's share of the Tenants Work Cost within ninety (90) days following Substantial Completion as certified by DRES, provided Landlord has presented an invoice for Tenants share of Tenants Work Cost. Notwithstanding the foregoing, Landlord must submit as-built drawings to DRES as precondition for final payment.] or [(2) Following Substantial Completion, provided Landlord has presented an invoice for Tenants share of Tenants Work Cost, Tenant shall reimburse Landlord for Tenant's share of the Tenants Work Cost to be repaid over the first five (5) years of the Lease term on a self-liquidating basis in sixty (60) equal monthly installments of Tenant's share of the Tenant Work Cost and interest thereon at the rate at the time the loan is made but in no event more than (1.0%) above the floating prime interest rate as established by the Chase Manhattan Bank, N.A., or its successor, or if it ceases to exist the corresponding rate published in the New York Times, provided, however, that the amount of such monthly payments shall be adjusted upon each change in the applicable rate to reflect the correct amount of interest to become due based upon the remaining payments and/or amounts thereof in such five (5) year period. Tenant may at any time make additional payments in reduction of the outstanding balance of the Tenants share of the Tenants Work Cost without penalty, in which case the amount of any remaining monthly payments shall be adjusted as aforesaid. Notwithstanding the foregoing, Tenant in its sole discretion, may elect to reimburse Landlord for Tenant's share of the Tenants Work Cost as pre-rent payment within ninety (90) days following the Substantial Completion as certified by DRES, without interest. Otherwise interest shall be computed from the date of Substantial Completion until repayment in full of~~

~~Tenant's share of the Work Cost. Landlord must submit as-built drawings to DRES as a precondition for initial payment. In the event this Lease is terminated pursuant to Article 3 hereof, Tenant shall reimburse the Landlord for the remaining portion of Tenant's share of the Tenants Work Cost in one lump sum within ninety (90) days following the effective date of termination.]~~

~~The cost of alterations and improvements shall be subject to audit by the Department of Citywide Administrative Services and/or its authorized representative. Such costs may, in the discretion of the Comptroller of the City of New York, also be post-audited by the Comptroller.~~

~~(B) In the event Landlord (i) fails to commence construction of the Work within ten (10) business days after its receipt of Tenant's approval of the Tenants Work Cost estimate and/or pursue completion of same diligently and in continuous manner, and/or (ii) fails to meet any applicable time frames under Subsection (A) above, then Tenant shall give Landlord written notice (hereinafter referred to as Delay Notice) advising Landlord of its failure to so commence and/or perform. If Landlord fails to commence the work or perform its obligations under Subsection (A) above within ten (10) days from the date of said notice, Tenant, in addition to any other remedy it may have, at it's option may: (i) as agent of the Landlord commence performance of the work and deduct the cost thereof from the rent to become due and payable pursuant to Article 2 hereof and/or Tenants share of Tenants Work Cost; or (ii) terminate this Lease on ten (10) days written notice to Landlord. Tenant, however, shall not be required to exercise either of the foregoing rights. If Tenant elects not to terminate the Lease, and regardless of whether or not Tenant provides written Delay Notice to Landlord, or~~

~~elects to perform the Work as Landlord's agent, it shall receive a rent credit subsequent to Substantial Completion equivalent to one (1) day of free rent for each day the commencement of Work was delayed or time frames were not met.~~

~~(C) Notwithstanding anything to the contrary herein, in the event Landlord, after commencing the Work, fails to complete said alterations and improvements, after commencement of same, within () months from Tenants Work Cost approval, Tenant shall give Landlord written notice (hereinafter referred to as the "Completion Delay Notice") advising the Landlord of its failure to achieve timely Substantial Completion. If Landlord fails to achieve Substantial Completion within one (1) month from the date that Landlord receives such Completion Delay Notice, or if such work cannot be completed within said one (1) month and Landlord fails to act diligently, and continuously without interruption to complete said work within a reasonable time, Tenant, in addition to any other remedy it may have, may: (i) as agent of Landlord, perform said work and deduct the cost thereof from the rent to become due and payable pursuant to Article 2 hereof and/or Tenants Share of Tenants Work Cost; or (ii) terminate this Lease on ten (10) days written notice to Landlord. Tenant, however, shall not be required to exercise either of the foregoing rights. If Tenant elects not to terminate the Lease, and regardless of whether or not Tenant provides written Completion Delay Notice or elects to perform the work as Landlord's agent, it shall receive a rent credit subsequent to Substantial Completion equivalent to one (1) day of free rent for each day Landlord has delayed Substantial Completion of the Work.~~

~~In the event Substantial Completion has occurred, then with respect to as built drawings and minor details of construction or decoration which do not adversely affect Tenant's use of the~~

~~Demised Premises. Tenant shall submit to Landlord a written list of such minor details including the as built drawings which it deems to be incomplete (hereinafter the "Punch List"). Landlord shall within thirty (30) days of receipt of the Punch List, commence performance and diligently proceed with continuity to complete said work. In the event Landlord fails to commence and complete said work within thirty (30) days of receipt of the Punch List, Tenant, in addition to any other remedy it may have, may (i) as agent for the Landlord, perform said work and deduct the cost thereof from any portion of the Tenants share of Tenants Work Cost from the rent due or that may become due and owing under this Lease or (ii) may withhold all rent due and owing to Landlord until Landlord performs such work to the satisfaction of Tenant.~~

~~Prior to the commencement of the lease term, Landlord shall permit Tenant to (i) inspect the progress of construction of the Work (ii) have its telephone equipment installed in the Demised Premises and (iii) do such work as Tenant may require including moving its furniture, provided any of the above does not substantially interfere with Landlord's contractors making improvements to the Demised Premises.~~

~~With respect to Tenant's repair obligations, upon completion of the work, Landlord shall assign to Tenant the beneficial interest in all warranties and guarantees received by Landlord from contractors and materialmen engaged in the performance of the work, as well as the right to enforce any contracts made with such contractors and materialmen. Landlord hereby appoints Tenant as its attorney-in-fact to institute suit in Landlord's name and for Tenant's benefit and agrees to cooperate fully with Tenant in the event that Tenant seeks to enforce its rights with respect to the warranties and guarantees.~~

~~Notwithstanding anything to the contrary in Article 13 hereof, Landlord shall be solely responsible for the performance and cost of all repairs resulting from defects of materials and workmanship in construction and/or alterations and improvements of the Demised Premises or of the Building. Furthermore, and notwithstanding anything to the contrary contained in Article 13 hereof, if Landlord uses existing ductwork or ventilation equipment, it shall remain solely responsible for the performance and cost of repair or replacement of same during the entire term hereof.~~

~~Landlord acknowledges that the Demised Premises may be occupied and used by Tenant, its employees and invitees during the performance of the Work. Accordingly, Landlord shall, and shall cause its contractors, to use best efforts to minimize noise, dust and other conditions which may adversely affect Tenant, its invitees, children, employees, and workers, to take every reasonable precaution against injuries to persons or damage to property, and to provide for the safety of persons at the Demised Premises. Landlord shall be responsible for the initiation, maintenance and supervision of reasonable safety precautions and programs in connection with the performance of the Work. Prior to the commencement of the Work Landlord shall designate a qualified person to carry out such programs and notify Tenant of the person so designated.~~

~~Landlord agrees to name, or cause its contractors to name, the City of New York as an additional named insured on their respective policies of public liability insurance, and furnish the Tenant with certificates of insurance to that effect, provided there is no additional charge therefor, or if Tenant agrees to pay said additional charge.~~ LAYOUT AND FINISH

(A) Tenant, at Tenant's expense shall prepare a final plan or final set of plans

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(which said final plan or final set of plans, as the case may be, is hereinafter called the "Plans") which shall contain complete information (including engineering required) and dimensions necessary and sufficient for the construction and finishing of the Demised Premises. The Plans shall be submitted by Tenant to Landlord on or prior to _____, 1997. Any revisions to the Plans required by Landlord shall be performed by Tenant within three (3) business days after demand by Landlord.

In accordance with the Plans, Landlord, at Landlord's expense, subject to the Cap , (as hereinafter defined in Paragraph (I) of this Article) and except as otherwise expressly specified in this Lease, will cause its designated contractor to make and complete in and to the Demised Premises the work and installations (hereinafter called "Tenant's Initial Work") specified in the Plans. Landlord may submit the Plans (and any revisions thereof) to Landlord's designated architect for review and Tenant shall pay to Landlord, upon demand as additional rent hereunder the reasonable, out-of-pocket fees charged to Landlord by said architect for such review. In-house review of the Plans by Landlord will be completed within three (3) days after any submission by Tenant and use of an outside architect shall be made only in the case of non-Building standard type installations.

(B) The term "Work Cost" as used in this Article shall mean the actual cost to Landlord of furnishing and installing such part of Tenant's Initial Work. Landlord shall require its general contractor to obtain not less than three (3) bids from each major trade ("Sub-List") (excluding trades affecting Building systems).

(C) In all instances where Tenant is required to supply information or authorizations with regard to Tenant's Initial Work, Tenant shall supply the same within

three (3) business days after written request therefor by Landlord.

(D) Except as provided in this Article, Landlord shall not be required to spend any money or to do any work to prepare the Demised Premises for Tenant's occupancy. The specification of Tenant's Initial Work represents the limit of Landlord's responsibilities in connection with the preparation of the Demised Premises and except as so provided, Tenant shall take the Demised Premises "as-is". Any other improvements, alterations or additions shall be performed by Tenant, but subject to all of the terms, conditions and covenants of this Lease.

(E) Landlord has made and makes no representation of the date on which it will complete Tenant's Initial Work, and Landlord shall be under no penalty or liability to Tenant whatsoever by reason of any delay in such performance and this Lease shall not be affected thereby, except as set forth in the last sentence of this Paragraph (E). If, for any reason whatsoever, Tenant's Initial Work is not substantially completed by the Commencement Date, Landlord shall be given whatever additional time may be necessary to complete same and the term of this Lease shall commence three (3) business days after notice is given to Tenant of the substantial completion of Tenant's Initial Work. If Tenant shall dispute whether Tenant's Initial Work has been substantially completed, then, pending the resolution of such dispute, the Commencement Date shall nevertheless be deemed to have occurred three (3) business days after Landlord's notice of substantial completion of Tenant's Initial Work and Tenant shall be obligated to pay fixed rent and additional rent as and when provided in this Lease. In no event shall the Expiration Date be postponed beyond December 31, 2017. Landlord agrees that it will use reasonable efforts to obtain contracts for the performance of the work required

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to be performed by it and to arrange to have all such work commenced without delay and prosecuted without unnecessary interruption until completion. Notwithstanding the preceding, Landlord shall use its best efforts (at no additional expense) to substantially complete Tenant's Initial Work within _____ (_____ days after all required approvals have been obtained by Tenant's architect from the Port Authority for the performance of Tenant's Initial Work (the "Target Date"). In the event (a) Tenant's Initial Work shall not be substantially completed on or prior to the Target Date not due to a Tenant delay (as set forth in this Article), and (b) Tenant shall not have taken possession of any portion of the Demised Premises, the Rent Commencement Date shall be adjourned one (1) day for each one (1) day after the Target Date that the Tenant's Initial Work shall have failed to have been so substantially completed.

F. Tenant shall be permitted to enter into the Demised Premises for installation of its machinery, equipment and fixtures and performance of its work, all as permitted by this lease prior to the Commencement Date at its sole risk, provided that such entry and work do not interfere in any way with Landlord's performance of the work to be done by Landlord. At any time during such period of prior entry, if Landlord notifies Tenant that Tenant's entry or work is interfering with or delaying Landlord's performance of Tenant's Initial Work, Tenant shall forthwith discontinue any further work and shall remove from the Demised Premises and shall cause its workmen or contractors to remove therefrom, any equipment, materials or installations which are the subject of Landlord's notice.

(G) Subject to the provisions of Article 11 hereof, all work performed by Landlord, including the Building air conditioning installation, shall, upon installation, become

Landlord's property and shall be surrendered at the expiration or sooner termination of the Term of this lease, in good condition, reasonable wear and tear excepted.

(H) (a) For the purposes of this Article, Tenant's Initial Work shall be deemed to be substantially completed when all major construction is completed, including necessary sign-offs of The Port Authority, (or when all major construction would have been completed but for delays caused by Tenant as provided in this Paragraph (H) or otherwise), although minor items and/or Additional Work (hereinafter defined) are not substantially completed. Such unfinished work shall include, but not be limited to, any incompleted construction or improvements which do not materially interfere with Tenant's use and occupancy of the Demised Premises. Tenant shall promptly submit to Landlord a "punch-list" of such minor unfinished work which punch-list items, after approval by Landlord, will be diligently completed. Tenant shall periodically inspect Tenant's Initial Work and make any objections thereto, if called for, without delay, so as to mitigate changes, delays and costs.

(b) Tenant specifically acknowledges and agrees that the Work Cost will increase and there will be delay in completion of Tenant's Initial Work by reason of (i) Tenant's failure or unreasonable delay to consult with Landlord to enable Landlord to prepare plans or specifications; (ii) unreasonable delay or failure by Tenant in supplying information, approving estimates or giving authorizations; (iii) Tenant's making changes or additions in the plans or specifications or materials originally approved; (iv) interference by Tenant or Tenant's contractors with the performance of Tenant's Initial Work; (v) delay or failure of any special or additional new materials selected by Tenant; (vi) Additional Work (without regard to any time periods granted to Tenant hereunder for the approval of

estimates and/or revisions of Tenant's Plans); (vii) any resubmissions or revisions of Tenant's Plans (without regard to any time periods granted to Tenant hereunder for making such resubmissions or revisions); or (viii) work, materials, components and other items specified by Tenant which are not Building standard, and/or are not readily available to Landlord or Landlord's designated contractor, or require special manufacturing, fabrication or installation, or require additional time to obtain or install thereby delaying the date that Tenant's Initial Work would otherwise be substantially completed, including but not limited to, special wall coverings, light fixtures, entrance doors, woodwork, glass, stairways, door hardware, floor coverings and security and communications devices. Landlord shall not be responsible for any of the delays set forth in this Article, and, at Landlord's option, the term of this Lease shall commence three (3) business days after the date on which Tenant's Initial Work would have been substantially completed if not for the occurrence of any such delays. In addition, Tenant shall reimburse Landlord, as additional rent, for any and all losses, costs and damages suffered by Landlord caused by any such delays.

(I) Notwithstanding anything contained to the contrary in this Lease, the total cost of Tenant's Initial Work which Landlord shall provide Tenant without charge and for standard building installations performed prior to the Commencement Date shall be TWO MILLION SIXTY-ONE THOUSAND SIX HUNDRED SEVENTY-FIVE and 00/100 (\$2,061,675.00) DOLLARS (the "Cap"). If the Work Cost shall exceed the Cap, Tenant may accept Landlord's detailed estimate of such excess cost only by countersigning and delivering same to Landlord within three (3) days after Landlord's rendition of such estimate. Payment by Tenant of such excess cost shall be made upon receipt by Tenant of Landlord's monthly

requisition, but in no event earlier than thirty (30) days after Tenant's acceptance of such estimate.

(J) (a) In the event Landlord has agreed to perform any work over and above Tenant's Initial Work (the "Additional Work"), then, prior to commencing such Additional Work, Landlord or Landlord's contractor shall advise Tenant (the "Estimate") of the cost of the Additional Work to be performed. The Estimate shall include a fee equal to () percent of the cost of the Additional Work, plus (%) percent of the resulting total (the "Overhead Supervisory Fee"). Within three (3) days after Landlord's submission of the Estimate, Tenant shall, in writing, either accept or reject the Estimate. Tenant's failure either to accept or reject the Estimate within said three (3) day period shall be deemed rejection thereof. Tenant may only accept the Estimate by countersigning a copy thereof and returning same to Landlord. Tenant shall pay to Landlord, as additional rent, the cost of the Additional Work (including the Overhead Supervisory Fee) at such time or times as agreed to, but in no event shall the balance be paid later than the completion of the Additional Work, upon rendition of a reasonably detailed invoice therefor.

(b) In the event Tenant rejects the Estimate or the Estimate is deemed rejected, Tenant shall within three (3) days after such rejection furnish Landlord with necessary revisions of Tenant's Plans, so as to enable Landlord to proceed as though no such Additional Work had been requested. Should Tenant fail to submit such necessary revisions of Tenant's Plans within said three (3) day period, Landlord, in its sole discretion, may either discontinue the performance of Tenant's Initial Work and/or Additional Work, or proceed or continue to complete Tenant's Initial Work in accordance with Tenant's Plans already

submitted, with such variations as in Landlord's sole discretion may be necessary so as to eliminate the Additional Work set forth on Tenant's Plans, and any delay resulting therefrom shall be deemed a delay caused by Tenant.

(K) If Tenant shall fail to make timely payment of any sums payable to Landlord pursuant this Article, then, in addition to all other rights and remedies afforded Landlord in the event of such non-payment, Landlord may, without notice to Tenant, discontinue the performance of Tenant's Initial Work and/or Additional Work (or any items thereof) until such time as Tenant makes payment to Landlord of all such past due sums and provides Landlord with adequate assurance of the timely payment of all additional sums which may or shall be payable by Tenant pursuant to this Article. Any delay resulting from the discontinuance of Tenant's Initial Work and/or Additional Work pursuant to this Paragraph shall be deemed a delay caused by Tenant.

ARTICLE 7

CERTIFICATE OF OCCUPANCY; COMPLIANCE WITH LAWS

Landlord agrees to deliver to the Department of Citywide Administrative Services a Certificate of Occupancy or other sufficient indicia of legality for use of the premises for the purposes set forth in this Lease and same shall be a prerequisite to the official assumption of occupancy by Tenant.

~~<At its own expense, Landlord agrees to obtain>~~ Tenant's Initial Work shall include all permits necessary to legalize the Demised Premises, the alterations and improvements specified herein and to comply with all requirements, rules, laws, regulations and orders of Federal, State and local authorities and of any board of fire underwriters having jurisdiction over the Demised

Premises or the ~~real property of which they form a part~~ **Real Property**, including, without limitation, **as of date of substantial completion**, the Americans with Disabilities Act of 1990, 42 U.S.C. § 12101 et seq. ("ADA") ~~during the term hereof or renewal term, if any~~. With respect to the ADA and regulations promulgated ~~pursuant thereto~~ **during the Term**, Landlord shall comply with and perform ~~both~~ the Landlord's obligations, if any, ~~as a public accommodation pursuant to Title III of the ADA and the Tenant's obligation as a public entity pursuant to Title II of the ADA for the Demised Premises and~~ **imposed upon owners of office buildings as a class including** all common areas that service the Demised Premises in and around the Building. **Tenant shall comply with and perform all obligations arising from Tenant's specific manner of use of the Demised Premises and any alterations performed by Tenant. Subject to Landlord's right to contest,** Landlord shall remove all violations which may be placed against the Demised Premises ~~or the real property of which they form a part, including but not limited to Building Code and Fire Code violations~~, except those violations caused by Tenant's **acts, omissions or** breach of the terms of this ~~Lease. In the event Landlord fails to comply with any of the provisions of this Article, Tenant, in addition to any other remedy it may have, may terminate this Lease on ten (10) days written notice to Landlord, or may, as agent of Landlord, perform the same and deduct the cost thereof from any rent due or that may become due and payable under this~~ Lease.

ARTICLE 8

REAL ESTATE TAXES, ASSESSMENTS, WATER RATES,

SEWER RENTS, ARREARS

(A) If Landlord shall become the fee owner of the Real Property, Landlord shall pay all real estate taxes, assessments, water rates and sewer rents (if any) levied against said Building and Land for the tax lot where the Demised Premises is located or that may be liens thereon. Upon request, Landlord shall provide Tenant with receipted bills, payment receipts or other back-up information reasonably satisfactory to Tenant evidencing Landlord's payment thereof within five (5) business days after Tenant shall give notice to Landlord requesting such evidence of payment. ~~← Should Landlord fail to pay said taxes, assessments, water rates and sewer rents, then Tenant, in addition to any and all other remedies it may have, may apply any rent due or that may become due and payable under this Lease to the payment of said taxes, assessments, water rates and sewer rents and so long as any of such items are unpaid, no action or proceeding may be maintained by Landlord against Tenant for nonpayment of rent.→~~

(B) Additionally, if Landlord as fee owner, is in any other arrears on the Land, Building and/or Demised Premises, including but not limited to rents, mortgage payments and other payments or obligations payable to the City of New York, then Tenant may apply any rent due or that may become due and payable under this Lease to the payment of such arrears and as long as such arrears are unpaid, no action or proceeding may be maintained by Landlord against Tenant for nonpayment of rent.

ARTICLE 9

LANDLORD'S SERVICES

~~Landlord shall provide hot and cold water, adequate elevator service, maintain the public entrances, passageways, doors, doorways, corridors, elevators, stairs, toilets (including supply and cleaning thereof) or other public parts of the building (collectively "common areas"), perform regular monthly extermination services to~~ (A)

Landlord, at Landlord's expense, shall furnish heat to the peripheral heat units in the Demised Premises and ventilation and condenser water to the Building air conditioning equipment located on the floor of ~~the common areas, provide and maintain the heating, ventilation and air conditioning equipment in good working order so as: (i) to provide air conditioning during the summer months at an average inside design temperature of seventy-five (75) degrees Fahrenheit dry bulb and a room relative humidity of fifty percent (50%) when the outside temperature is ninety-five (95) degrees Fahrenheit dry bulb coincident with a wet bulb temperature of seventy-five (75) degrees Fahrenheit; and (ii) to provide heating during the winter months at an average inside design temperature of seventy-two (72) degrees Fahrenheit dry bulb when the outside temperature is zero (0) degrees Fahrenheit dry bulb with a wind velocity of fifteen (15) miles per hour.~~

~~Landlord shall supply cleaning and rubbish removal to~~ the Demised Premises ("HVAC"), through the Building systems, for reasonably comfortable occupancy of the Demised Premises, from 8:00 A.M. to 6:00 P.M. ("business hours") on business days. If Tenant shall install supplemental air conditioning in the Demised Premises, solely to the extent the building risers and tower have available capacity, Landlord shall furnish condenser water therefor and Tenant shall pay Landlord's then established reasonable charges in connection therewith as additional rent within five (5) business days after demand. The term "business days", as used in this Lease, shall mean all days except Saturdays, Sundays and the days observed by the

Initials
\$16.57/h

Federal or the New York State or City governments as legal holidays and such other days as shall be designated as holidays by the applicable operating engineers union contract or building service employees union contract. Landlord and Tenant shall operate the HVAC equipment in accordance with their design criteria; provided, however, that Landlord may reduce such level of operation in accordance with a recognized energy or water conservation program, guidelines, regulations or recommendations promulgated by any Federal, State, City or other governmental or quasi-governmental bureau, board, department, agency, office, commission or other subdivision thereof or the American Society of Heating, Refrigeration and Air-Conditioning Engineers, Inc. or any successor thereto or other organization serving a similar function. The air conditioning equipment within and servicing ~~in accordance with the cleaning specifications attached thereto as Exhibit " "~~.

~~The foregoing Landlord's services shall be provided during the hours of 8:00 a.m. to 6:00 p.m. Monday through Saturday inclusive, New York City holidays excluded, except that elevator service and access to~~ the Demised Premises shall be operated, maintained, repaired and replaced by Landlord at Tenant's ~~provided twenty-four (24) hours per day, seven (7) days per week.~~

~~Within sixty (60) days of the earlier occurrence of either the execution of the Lease or commencement of the lease term, Landlord, at its~~ sole cost and expense ~~, shall enter into a separate agreement for the maintenance of the roof and each of the building systems of the Demised Premises. Such agreement shall remain in effect during the term of the Lease. The maintenance agreement shall provide that the contractor perform all of the preventive maintenance measures set forth in Exhibit , attached hereto and made a part hereof. The contractor shall adhere to industry wide standards in performing its obligations under the maintenance agreement. The maintenance agreement shall further provide that within ten (10) business days after inspecting the roof or~~

~~building systems the contractor shall prepare a written report. Such report shall a) summarize contractor's findings and recommendations for maintenance service and b) state whether maintenance service has been rendered. Contractor shall submit a copy of the report to Tenant within fifteen (15) days after it is completed.~~ and upon expiration of the Term, shall be surrendered to Landlord in working order and repair. At all times during the Term, Landlord acting for Tenant and at Tenant's expense, shall contract with the air conditioning contractor designated by Landlord for the performance of such maintenance and repairs. The electricity used to operate the HVAC equipment shall be connected at Tenant's expense to Tenant's electric meter and shall be paid by Tenant as provided in Article 10 hereof. Landlord will, during business hours of business days, at its expense, operate and maintain the Building condenser water tower and the riser(s) to each floor of the Demised Premises, subject to recoupment under Article 4.

~~Landlord shall paint the Demised Premises once every years.~~ (B)

If Tenant shall require heating service at any time other than during business hours on business days ("after hours"), Landlord shall furnish the same upon advance notice from Tenant, given prior to 2:00 P.M. on any business day on which Tenant requires such after hours heat or if Tenant shall desire heat on a day other than a business day, Landlord shall furnish the same upon advance notice from Tenant given prior to 2:00 P.M. on the last business day prior to such non-business day, and Tenant shall pay Landlord's cost therefor as additional rent within five (5) business days after demand. If any other tenant shall request and receive heat after hours at the same time as Tenant, only an equitably prorated portion of the charge therefor shall be allocated to Tenant.

~~In the event Landlord fails to comply with any of the provisions of this Article within three (3) days after written notice by Tenant, Tenant, in addition to any other remedy it may have, may terminate this Lease on ten (10) days written notice to Landlord or may, as agent of Landlord, perform the same and deduct the cost thereof from any rent due or that may become due and payable under this Lease.~~

~~Anything to the contrary notwithstanding, in the event the repairs to be performed by the Landlord are required to correct a hazardous condition or to end an emergency which renders the premises unsuitable for the use set forth herein, Tenant shall give Landlord, its agent, superintendent or the person designated to receive such notice, immediate notice in writing, personally or by certified mail, and Landlord, within twenty-four (24) hours of giving said notice, shall commence the repairs and diligently proceed with continuity to complete said work~~ (C)

Landlord shall not be responsible if the normal operation of the Building HVAC system shall fail to provide service in accordance with the requirements of this Lease in any portions of the Demised Premises (a) which shall have an electrical demand in excess of 3-1/2 watts per rentable square foot of the Demised Premises for all purposes (including lighting and power) or which shall have a human occupancy factor in excess of one person per 100 rentable square feet of the Demised Premises, or (b) because of any arrangement of partitioning or the making of any other Tenant's alterations or the installation and operation of machines and equipment . In the event Landlord ~~fails to commence and complete said work after said notice, as aforesaid, Tenant, as agent for the Landlord, may (i) perform same and deduct the cost thereof from any rent due or that may become due and payable under this Lease or (ii) may terminate this Lease on ten (10) days written notice to Landlord by certified mail or (iii) may withhold all rent due and owing to Landlord until Landlord performs such repairs to the satisfaction~~

of Tenant.

~~ARTICLE 10~~

~~TENANT'S SERVICES~~

~~Tenant shall pay for its electricity directly to the public utility company.~~ has consented to such Tenant's alterations, or machines and equipment, Landlord, at Tenant's expense, shall make such changes in the HVAC system, including the ductwork, as Tenant may require, but only with Landlord's prior consent and in accordance with the terms of Article 11. Tenant shall cooperate fully with Landlord at all times and abide by all regulations and requirements which Landlord may reasonably prescribe for the proper functioning and protection of the HVAC system.

(D) Commencing on the date Tenant shall occupy the Demised Premises for the conduct of business. Landlord, at its expense, shall provide public elevator service, passenger and freight, by elevators serving the floor on which the Demised Premises are situated during regular hours of business days, and shall have at least one passenger elevator subject to call at all other times, subject however to Landlord's right to stop or interrupt such elevator service pursuant to the provisions of Paragraph (H) hereof.

(E) Landlord, at its expense, shall cause the Demised Premises to be cleaned in accordance with the cleaning specifications annexed hereto as Exhibit . Tenant shall pay to Landlord on demand the costs incurred by Landlord for (a) extra cleaning work in the Demised Premises required because of (i) misuse or neglect on the part of Tenant or its employees, invitees or visitors, (ii) use of portions of the Demised Premises for preparation, serving or consumption of food or beverages, data processing or reproducing operations,

T needs right to supply its own above standard cleaning.

trading areas, lavatories or toilets (other than Building lavatories or toilets) or other special purposes requiring greater or more difficult cleaning work than office areas, (iii) unusual quantity of interior glass surfaces, (iv) non-Building standard materials, equipment, fixtures or finishes installed by Tenant or at its request, and (b) removal from the Demised Premises and the Building of so much of any refuse and rubbish of Tenant as shall exceed that ordinarily accumulated daily in the routine of business office occupancy. Landlord, its cleaning contractor and their employees shall have access to the Demised Premises and the free use of light, power and water in the Demised Premises as reasonably required for the purpose of cleaning the Demised Premises in accordance with Landlord's obligations hereunder. Additional cleaning required by Tenant shall be performed at Tenant's expense by the cleaning contractor, if any, for the Building.

Notwithstanding the preceding, Tenant shall have the option, exercisable upon not less than ninety (90) days' prior, irrevocable written notice to Landlord, effective as of the expiration date of Landlord's then current contract with its cleaning contractor for the Building, to contract directly with any independent, reputable, first-class contractor Tenant may otherwise select (or such services may be performed by Tenant's own employees) for the cleaning of the Demised Premises, whereupon, from and after the effective date of such notice, Landlord shall have no further obligation to cause the Demised Premises to be cleaned and Tenant shall receive a credit against rents in the amount received by Landlord from Landlord's cleaning contractor due to such discontinuance of cleaning in the Demised Premises.

If Tenant shall contract with an independent reputable, first-class contractor for the

cleaning of the Demised premises, (x) such contract shall contain a provision (1) that the contractor involved will not knowingly employ or permit the use of any labor or otherwise take any action which would result in a strike, work stoppage or other labor disruption involving personnel providing cleaning, janitorial and rubbish removal services elsewhere in the Building pursuant to arrangements made by Landlord, (2) that the contractor involved will comply with Landlord's reasonable Building security requirements and (3) providing that if any such strike, work stoppage or labor disruption shall occur or such contractor shall fail to comply with Landlord's reasonable Building security requirements, Tenant may terminate such contract, (y) Tenant shall use reasonable efforts to cause that such provisions be observed by such contractor and (z) in the event that any such strike, work stoppage or other labor disruption shall occur by reason of the labor employed or used by such contractor or by reason of any action taken by such contractor or such contractor shall fail to comply with Landlord's reasonable Building security requirements, Tenant, upon the request of Landlord, shall either resolve such strike or other labor disruption or terminate its contract with such contractor.

(F) Landlord, at its expense, shall furnish adequate water to the Demised Premises for drinking, lavatory and cleaning purposes. If Tenant uses water for any other purpose Landlord, at Tenant's expense, shall install meters to measure Tenant's consumption of water for such other purposes. Tenant shall pay for the quantities of water shown on such meters, at Landlord's cost thereof, on the rendition of Landlord's bills therefor. Heating of water for lavatory and cleaning purposes shall be performed by equipment located on each floor of the Demised Premises. Said equipment shall be maintained and repaired by

Landlord, at Tenant's expense, by the contractor designated by Landlord. The electricity used to operate said equipment shall be connected at Tenant's expense to Tenant's electric meter and shall be paid by Tenant as provided in Article 10.

(G) Landlord, at its expense, and on Tenant's request, shall maintain the original listings on the Building directory of the names of Tenant, and the names of any of their officers and employees, provided that the names so listed shall not take up more than Tenant's Proportionate Share of the lines on the Building directory. In the event Tenant shall require additional or substitute listings on the Building directory, Landlord shall, to the extent space for such additional or substitute listing is available, maintain such listings and Tenant shall pay to Landlord an amount equal to Landlord's reasonable charge for such listings.

(H) Landlord reserves the right, without any liability to Tenant, except as otherwise expressly provided in this Lease, to stop service of any of the heating, ventilating, air conditioning, electric, sanitary, elevator or other Building systems serving the Demised Premises, or the rendition of any of the other services required of Landlord under this Lease, whenever and for so long as may be necessary, by reason of accidents, emergencies, strikes or the making of repairs or changes which Landlord is required by this Lease or by law to make or in good faith deems necessary, by reason of difficulty in securing proper supplies of fuel, steam, water, electricity, labor or supplies, or by reason of any other cause beyond Landlord's reasonable control.

ARTICLE 10

ELECTRICITY

(A) (a) The Building will be equipped with risers, feeders and wiring so as to furnish electric service (connected load) to the Demised Premises of 6 watts per rentable square foot of the Demised Premises for lighting and power, excluding power to service the Building air conditioning equipment and hot water heater located on the floor of the Demised Premises. Additionally, a meter system (or other measuring devices) will be furnished and installed by Landlord, at Landlord's cost, to measure the amount of "Usage" solely to the Demised Premises. Where more than one meter measures the amount of Usage, Usage through each meter shall be billed in the aggregate with coincidental demand in accordance with the provisions of this Article 10;

(b) Any additional risers, feeders or other equipment or service proper or necessary to supply Tenant's electrical requirements above the service set forth in subdivision (a), will, upon written request of Tenant, be installed by Landlord, at the sole cost and expense of Tenant, if in Landlord's sole judgment, the same are necessary and will not cause permanent damage or injury to the Building or the Demised Premises or cause or create a dangerous or hazardous condition or entail excessive or unreasonable alterations, repairs or expense or interfere with or disturb tenants or occupants. If, in Landlord's sole judgment, Landlord shall consent to the installation of such riser or risers, in addition to such installation, Landlord will also at Tenant's sole cost and expense, install all other equipment proper and necessary in connection therewith subject to the aforesaid terms and conditions.

(B) For purposes of Paragraphs (B) and (C):

(a) "Usage" shall mean Tenant's actual usage of electricity in the Demised Premises as measured by the aforesaid metering system for each calendar month or such other period as Landlord shall determine during the Term and shall include the quantity and peak demand (kilowatt hours and kilowatts) and all applicable taxes, surcharges, demand charges, energy charges, fuel adjustment charges, time of day charges and other adjustments made from time to time by the public utility company (or successor thereto) supplying electric current to the Building or any governmental authority having jurisdiction:

(b) "Landlord's Rate" shall mean the service classification (including all applicable taxes, surcharges, demand charges, energy charges, fuel adjustment charges, time of day charges and other sums payable in respect thereof) pursuant to which Landlord purchases electric current for the Building from the public utility company (or successor thereto) supplying electric current to the Building and including the voltage stepdown cost incurred by Landlord to reduce the voltage supplied to the Building as distributed to Tenant; and

(c) "Tenant's Cost" shall mean the product of (i) Usage multiplied by (ii) Landlord's Rate.

(C) Landlord shall, from time to time but not more often than monthly, furnish Tenant with an invoice indicating the period during which the Usage was measured and the amount of Tenant's Cost payable by Tenant to Landlord for such period. Within five (5) days after receipt of each such invoice, Tenant shall pay the amount of Tenant's Cost set forth thereon to Landlord as additional rent. In addition, if any tax is imposed upon Landlord by

any municipal, state or federal agency or subdivision with respect to the purchase, sale or resale of electrical energy supplied to Tenant hereunder. Tenant covenants and agrees that, where permitted by law, a portion of such taxes (based on the amount of Tenant's Cost as applied to the appropriate tax rate) shall be passed on to, included in the bill to and paid by, Tenant to Landlord, as additional rent.

(D) Landlord shall not in anywise be liable or responsible to Tenant for any loss or damage or expense which Tenant may sustain or incur if either the quantity or character of electric service is changed or is no longer available or suitable to Tenant's requirements.

(E) Tenant agrees not to connect any additional electrical equipment of any type to the Building electric distribution system, beyond that on Tenant's approved plans for initial occupancy, other than lamps, typewriters and other small office machines which consume comparable amounts of electricity, without Landlord's prior written consent, which consent shall not be unreasonably withheld or delayed. In no event shall Tenant use or install any fixtures, equipment or machines the use of which in conjunction with other fixtures, equipment and machines in the Demised Premises would result in an overload of the electrical circuits servicing the Demised Premises. At any time, and from time to time, Landlord and/or its representatives shall have the right to inspect the Demised Premises to identify all electrical equipment being utilized therein.

(F) Tenant covenants and agrees that at all times its use of electric current shall never exceed the service set forth in Paragraph A and the capacity of the then existing feeders to the Building or the risers or wiring installation. Landlord shall furnish, install and replace, as required, all lighting tubes, lamps, bulbs and ballasts required in the Demised Premises, at

Tenant's sole cost and expense, in an amount equal to Landlord's cost. All lighting tubes, lamps, bulbs and ballasts so installed shall become Landlord's property upon the expiration or sooner termination of this Lease.

(G) In the event the metering system installed for the measurement of electricity consumption in the Demised Premises or any alternative submetering system installed by Landlord at a later date, becomes prohibited from use or the metering system should fail to properly register or operate at any time during the Term for any reason whatsoever or if the metering system shall become operable subsequent to the date that Tenant, or anyone (including, without limitation, any contractors or other workmen) claiming under or through Tenant first enters the Demised Premises, then Landlord, at its expense, may cause an independent electrical engineer chosen by Landlord or an electrical consulting firm selected by Landlord (hereinafter referred to as the "Electrical Consultant") to survey and determine Usage in, and Tenant's Cost for, the Demised Premises from time to time, at least once per six (6) month period, and the Electrical Consultant shall make such determination using criteria generally accepted in the Metropolitan New York City area and Landlord's Rate in effect at the time, and shall include the quantity and peak demand, for all electricity consumed by Tenant. The determination made by the Electrical Consultant shall be binding on both Landlord and Tenant and such amount shall be deemed Tenant's Cost.

ARTICLE 11

ALTERATIONS BY TENANT

Tenant may make non-structural interior alterations, decorations, installations,

additions and improvements in and to the Demised Premises and may erect signs therein or thereon.

Notwithstanding the foregoing, Tenant shall make no alterations, additions or improvements which (i) affect the mechanical, electrical or other systems of the Building, or (ii) are structural or (iii) affect the exterior or lobby or service areas of the Building, without Landlord's written consent. In making any such alterations, decorations, installations, additions or improvements, Tenant shall comply with all laws, rules, regulations of governmental authorities (including, the Port Authority) having jurisdiction and the New York Board of Fire Underwriters and Insurance Services Office and shall save Landlord harmless from any and all bills for labor performed and equipment, fixtures and materials furnished Tenant in connection therewith. The cost thereof shall be promptly paid by Tenant so that the Building and the Demised Premises shall at all times be free of liens for labor and materials supplied or claimed to have been supplied. Tenant's alterations shall be subject to the prior approval of Landlord, the Port Authority and reimbursement to Landlord for its out-of-pocket costs of review. Fees of the Port Authority shall be paid by Tenant and Tenant shall not violate Landlord's union contracts affecting the Real Property. All property of whatever kind or nature in or on the Demised Premises owned, installed or paid for by Tenant shall be and remain the property of Tenant and upon the termination of this Lease, renewal, extension or holdover period, Tenant shall have the option of removing such property or of surrendering such property (including partition systems and/or furniture located in the Demised Premises) to Landlord, in either event without any liability to Landlord. Tenant shall exercise its option by giving written notice to Landlord within thirty (30) days prior to the termination of this Lease, renewal, extension or holdover period. If Tenant shall fail to give such notice or shall fail to remove such property upon termination of this Lease, renewal, extension or holdover period, the

property shall be deemed to be surrendered without any payment for removal owed to Landlord.

ARTICLE 12

END OF TERM

Upon the expiration or other termination of the ~~term~~ **Term** of this Lease, Tenant shall quit and surrender the Demised Premises in good order and condition with ordinary wear and tear, and damage by the elements, including fire or other casualty, excepted.

ARTICLE 13

REPAIRS

Landlord shall make all interior, exterior and structural repairs, excluding such repairs necessitated by the **acts or** negligence of Tenant or its invitees, but including maintenance, repair or replacement of the roof, windows and window glass, ~~replacement of light bulbs and fluorescent lamps, plumbing, and electrical, heating and air conditioning~~ **Building plumbing, and electrical** systems, common areas, removal of graffiti from the exterior and interior of the Building and/or the Demised Premises, and all repairs needed because of Landlord's negligence or because of defective materials or workmanship in the construction and/or improvement **by Landlord** of the Demised Premises or of the Building of which they are a part. Landlord shall repair and maintain any sidewalks, curbs and passageways adjoining and/or appurtenant to the Demised Premises in good, clean and orderly condition, free of dirt, rubbish, snow, ice and unlawful obstruction. **Landlord is not responsible for making any repairs to Tenant's installations, alterations, additions or improvements, except if due to Landlord's acts or negligence.**

In the event Landlord fails to fulfill its obligations, Tenant may, in addition to its other

remedies, give written notice to Landlord specifying the repairs required by Tenant and Landlord shall commence performance of such work within three (3) business days after the giving of such notice and diligently proceed to complete said work. ~~←In the event Landlord fails to commence or complete said work after said written notice, Tenant, in addition to any other remedy it may have, may terminate this Lease on ten (10) days written notice to Landlord or may, as agent of Landlord, perform the same and deduct the cost thereof from any rent due or that may become due and payable under this Lease.→~~

Anything to the contrary notwithstanding, in the event the repairs to be performed by the Landlord are required to correct a hazardous condition or to end an emergency which renders the premises unsuitable for the use set forth herein, Tenant shall give Landlord, its agent, superintendent or the person designated to receive such notice, immediate notice in writing, personally or by certified mail, and Landlord, within ~~←twenty-four (24) hours of giving→~~ 5 business days of receiving said notice, shall commence the repairs and diligently proceed with continuity to complete said work. In the event Landlord fails to commence and complete said work after said notice, as aforesaid, Tenant ~~←(i)→~~ may, as agent for the Landlord, perform same and deduct the reasonable cost thereof from any rent due or that may become due and payable under this Lease ~~←or (ii) may terminate this Lease on ten (10) days written notice to Landlord by certified mail or (iii) may withhold all rent due and owing to Landlord until Landlord performs such repairs to the satisfaction of Tenant→~~.

In the event Tenant is unable to use any part or all of the Demised Premises because of Landlord's failure to perform such work as set forth in the two preceding paragraphs hereof, the rent shall be reduced, during such period, proportionately to the diminution in space resulting from such failure.

~~<In the event Tenant may still be able to use the Demised Premises for the purposes set forth in the Lease but Landlords failure to make repairs or provide services adversely affects Tenants operations within the Demised Premises,>~~ Tenant shall ~~<be entitled, during such period, to a bona fide equitable reduction in rent.~~

~~Tenant may~~ make such ordinary and nonstructural interior repairs as ~~<it deems>~~ necessary for its occupancy or request Landlord, at Tenant' s expense to perform such repairs.

ARTICLE 14

CONDEMNATION

If the whole of the Demised Premises shall be taken in condemnation, this Lease shall terminate upon the vesting of title in the condemnor and all rent and other charges paid or payable by Tenant shall be apportioned as of the date of vesting of title in such condemnation proceeding.

If ~~<only part>~~ less than all but more than 50% of the useable area of the Demised Premises shall be so taken in condemnation, then Tenant may either terminate this Lease as to the remainder of the premises on ten (10) days written notice to Landlord or remain in possession of the remaining portion of the premises under all of the terms, conditions and covenants of this Lease, except that the rent thereafter shall be apportioned and reduced from the date of each such partial taking to the amount equal to the product of the dollar amount of rent payable on such date and the number of square feet in the part remaining. The proceeds of any award for partial taking shall be applied by Landlord to the repair, restoration or replacement of the remaining premises, and if there be any deficiency, it shall be made up by Landlord, but if there be any surplus, it shall belong to the Landlord. Said repairs, restoration or replacement of the remaining premises shall be completed within ~~<six (6)>~~ nine (9) months of the aforesaid taking in condemnation, pursuant to plans and specifications approved by the Department of (Agency). In the event said repairs, restoration or

replacement are not completed within said ~~<six (6) months>~~ **nine (9) month** period, Tenant, in addition to any other remedy it may have, may terminate this Lease or perform said repairs, restoration and replacement and deduct the cost thereof from any rent which may be due and payable under this Lease.

~~<Tenant>~~ **Landlord** shall be entitled to ~~<an award for the value of the improvements and fixtures made or paid for by Tenant upon that part of the premises taken in condemnation. Tenant shall also be entitled to an award for the unexpired term of this Lease for the premises taken>~~ **receive the entire award in any proceeding with respect to any taking provided for in this Article without deduction therefrom for any estate vested in Tenant by this Lease and Tenant shall receive no part of such award, except as hereinafter expressly provided in this Article. Tenant hereby expressly assigns to Landlord all of its right, title and interest in or to every such award. Notwithstanding anything herein to the contrary, Tenant may, at its sole cost and expense, make an independent claim with the condemning authority for Tenant's moving expenses, the value of Tenant's fixtures or Tenant's alterations which do not become part of the Building or property of the Landlord, provided however that Landlord's award is not thereby reduced or otherwise adversely affected .**

ARTICLE 15

DESTRUCTION BY FIRE OR OTHER CASUALTY

If the whole of the Demised Premises is totally destroyed or damaged by fire or other casualty, or destroyed or damaged to such an extent that they are unsuitable or untenable for use for the purpose for which they are leased, then from the date of such damage or destruction the rent shall cease until such time as Landlord fully repairs and restores the same to suitable and tenantable

condition and HRA/Occupying Agency/DRES certifies in writing that the entire Demised Premises have been reoccupied by Tenant ~~< >~~, such Certification not to be unreasonably withheld or delayed.

N.D.

~~< Either party >~~ Landlord may terminate this Lease by notice to ~~< the other >~~ Tenant within thirty (30) days from the date of such fire or other casualty, provided Landlord terminates more than 50% of the remaining leases in the Building. If no such notice is given, Landlord shall, within forty-five (45) days after such fire or other casualty, commence and diligently proceed with continuity to complete the repairs and restoration of the Demised Premises to their condition prior to said fire or casualty, suitable for use for the purpose for which the premises were leased. If Landlord fails to ~~< commence said repairs and >~~ complete the restoration ~~< as above provided, or complete the same within one >~~ within two hundred and ~~< eighty (180) >~~ seventy (270) days after such commencement, Tenant may terminate this Lease on ten (10) days written notice ~~< or, in addition to any other remedy it may have, may perform such repairs and restoration and reimburse itself for the cost thereof from any rent due or that may become due and payable under this Lease >~~.

If the Demised Premises are partially damaged by fire or other casualty, Landlord shall, within forty-five (45) days after such fire or other casualty, commence and diligently proceed to complete the repairs and restoration of the Demised Premises to their condition prior to said fire or casualty. If Landlord fails to commence as aforesaid or to complete the same within ~~< ninety (90) >~~ one hundred twenty (120) days after such commencement, Tenant, in addition to any other remedy it may have, may ~~< terminate this Lease by giving Landlord ten (10) days written notice or may >~~ perform such repairs and restoration and reimburse itself for the cost thereof from any rent due or which may become due under this Lease.

From the date of such partial damage to the date certified by HRA/Occupying Agency/DRES in writing that the entire premises have been ~~reoccupied by Tenant~~ restored , Tenant shall pay rent for that part of the premises it is using during the alterations and repairs on a square foot basis in an amount equal to the product of the dollar amount of rent per square foot payable on such date and the number of square feet being occupied by Tenant.

Landlord will not carry insurance of any kind on Tenant's property or Tenant's alterations, and, except as provided by law or by reason of its fault or its breach of any of its obligations hereunder, Landlord shall not be obligated to repair any damage thereto or replace the same.

The provisions of this Article shall be considered an express agreement governing any case of damage or destruction of the Demised Premises by fire or other casualty, and Section 227 of the Real Property Law of the State of New York, providing for such a contingency in the absence of an express agreement, and any other law of like import, now or hereafter in force, shall have no application in such case.

ARTICLE 16

NO EMPLOYEE OF CITY HAS ANY INTEREST IN LEASE

Landlord warrants and represents that no officer, agent, employee or representative of The City of New York has received any payment or other consideration for the making of this Lease and that no officer, agent, employee or representative of The City of New York has any interest, directly or indirectly, in this Lease or the proceeds thereof.

ARTICLE 17

QUIET ENJOYMENT

Landlord covenants that Tenant, paying the rent reserved herein, and performing all of the other terms, covenants and conditions on its part to be performed, shall and may peaceably and quietly have, hold and enjoy the Demised Premises for the use and purpose stated in this Lease ~~or for such other similar purposes as the Commissioner of Citywide Administrative Services may determine~~.

ARTICLE 18

ACCESS BY DISABLED PERSONS

Landlord represents that the premises demised herein are suitable for access by disabled persons.

ARTICLE 19

SUBORDINATION AND NON-DISTURBANCE

(A) This Lease shall be subject and subordinate to all existing mortgages of record or future mortgages from a reputable lender or lending institution which may affect the real property of which the Demised Premises form a part, provided, and as a condition precedent to the subordination of this Lease to any of said mortgages, the mortgagee shall execute and deliver to Tenant an agreement in recordable form and in the form **reasonably** acceptable to Tenant whereby said mortgagee agrees that should it become necessary to foreclose such mortgage or should the mortgagee otherwise come into possession of the premises, such mortgagee will not join Tenant under this Lease in foreclosure or summary proceedings and will not disturb the use and occupancy of Tenant under this Lease so long as Tenant is not in default under any of the terms, covenants and

conditions of this Lease.

(B) Notwithstanding anything to the contrary in the foregoing Subparagraph A., Landlord agrees, at its sole cost and expense, to deliver to Tenant, ~~simultaneously with Landlord's execution of this Lease~~ ^{Comment on Execution} prior to the Rent Commencement Date, a fully negotiated and executed Subordination, Nondisturbance and Attornment Agreement, signed by, Landlord (if required) and Landlord's current ~~mortgagee, ground lessor, and/or over landlord, as the case may be.~~ Delivery of such agreement by Landlord to Tenant shall be a pre-condition of Tenant's execution and delivery of this Lease. mortgagees. OPEN

(C) This Lease, and all rights of Tenant hereunder, are and shall be subject and subordinate in all respects to the Underlying Lease, all ground leases, overriding leases and underlying leases of the Land and/or the Building now or hereafter existing and to all mortgages which may now or hereafter affect the Land and/or the Building and/or any of such leases, whether or not such mortgages shall also cover other lands and/or buildings, to each and every advance made or hereafter to be made under such mortgages, and to all renewals, modifications, replacements and extensions of such leases and such mortgages and spreaders and consolidations of such mortgages. This Section shall be self-operative and no further instrument of subordination shall be required. In confirmation of such subordination, Tenant shall promptly execute and deliver any instrument that Landlord, the lessor of any such lease or the holder of any such mortgage or any of their respective successors in interest may request to evidence subordination. The leases to which this Lease is, at the time referred to, subject and subordinate pursuant to this Article are hereinafter sometimes referred to as "superior leases" and the mortgages to which this Lease is, at the

time referred to, subject and subordinate are hereinafter sometimes referred to as "superior mortgages" and the lessor of a superior lease or its successor in interest at the time referred to is sometimes hereinafter referred to as a "lessor". If, in connection with the obtaining, continuing or renewing of financing, a superior lessor or superior mortgagee or a prospective superior lessor or prospective superior mortgagee shall request reasonable modifications of this Lease as a condition of such financing, Tenant will not unreasonably withhold its consent thereto, provided that such modifications do not materially and adversely either increase the obligations of Tenant hereunder or affect the rights of Tenant under this Lease.

(D) In the event of any act or omission of Landlord which would give Tenant the right, immediately or after lapse of a period of time, to cancel or terminate this Lease, or to claim a partial or total eviction, Tenant shall not exercise such right (i) until it has given written notice of such act of omission to the holder of each superior mortgage and the lessor of each superior Lease whose name and address shall previously have been furnished to Tenant in writing, and (ii) unless such act or omission shall be one which is not capable of being remedied by Landlord or such mortgage holder or lessor within a reasonable period of time, until a reasonable period for remedying such act or omission shall have elapsed following the giving of such notice and following the time when such holder or lessor shall have become entitled under such superior mortgage or superior lease, as the case may be, to remedy the same (which reasonable period shall in no event be less than the period to which Landlord would be entitled under this Lease or otherwise, after similar notice, to effect such remedy), provided such holder or lessor shall with due diligence give Tenant written notice of intention to, and commence and continue to remedy such act or omission.

(E) If the lessor of a superior lease or the holder of a superior mortgage shall succeed to the rights of Landlord under this Lease, whether through possession or foreclosure action or delivery of a new lease or deed, then at the option and upon request of such party so succeeding to Landlord's rights (herein sometimes referred to as "successor landlord") and upon successor landlord's written agreement to accept Tenant's attornment, Tenant shall attorn to and recognize such successor landlord as Tenant's landlord under this Lease, and shall promptly execute and deliver any instrument that such successor landlord may reasonably request to evidence such attornment. Upon such attornment this Lease shall continue in full force and effect as, or as if it were, a direct lease between the successor landlord and Tenant upon all of the terms, conditions and covenants as are set forth in this Lease and shall be applicable after such attornment except that the successor landlord shall not:

(a) be liable for any previous act or omission of Landlord under this Lease;

(b) be subject to any offset, not expressly provided for in this Lease, which shall have theretofore accrued to Tenant against Landlord;

(c) be bound by any previous amendment or modification of this Lease, not expressly provided for in this Lease, or by any previous prepayment of more than one month's fixed rent or additional rent, unless such amendment or modification or prepayment shall have been expressly approved in writing by the lessor of the superior lease or the holder of the superior mortgage through or by reason of which the successor landlord shall have succeeded to the rights of Landlord under this Lease.

(F) Tenant covenants and agrees that, if by reason of a default upon the part of

Landlord who is the Lessee under the Underlying Lease, in the performance of any of the terms or provisions of the Underlying Lease or if for any other reason of any nature whatsoever the Underlying Lease and the leasehold estate of the Lessee thereunder are terminated by summary dispossession proceeding or otherwise, Tenant, shall attorn to and recognize such landlord as Tenant's landlord under this Lease. Tenant covenants and agrees to execute and deliver, at any time and from time to time, upon the request of the landlord under the Underlying Lease, any instrument which may be necessary or appropriate to evidence such attornment. Tenant further waives the provisions of any statute or rule of law now or hereafter in effect which may terminate this Lease or give or purport to give Tenant any right of election to terminate this Lease or to surrender possession of the Demised Premises in the event the Underlying Lease terminates or in the event any such proceeding is brought by the landlord under the Underlying Lease, and in that circumstance Tenant agrees that this Lease shall not be affected in any way whatsoever by any such proceeding or termination.

ARTICLE 20

~~—TENANT NOT A HOLDOVER TENANT—~~ ASSIGNMENT AND SUBLETTING

~~—Landlord agrees not to hold Tenant liable as holdover tenant should it continue to occupy—~~ (A) Tenant, for itself, its heirs, distributees, executors, administrators, legal representatives, successors and assigns, expressly covenants that it shall not assign, mortgage or encumber this agreement, nor underlet, nor suffer, nor permit the Demised Premises or any ~~portion thereof after the expiration of the term of this Lease or renewal term, if any, but, in any~~

~~such event, Tenant shall be deemed to be a tenant from month to month at a rental not less than the same rental as that of the last month of the demised term and the liability of Tenant shall in no event be greater than that of a Tenant from month to month, any law to the contrary notwithstanding.~~

part thereof to be used or occupied by others, without the prior written consent of Landlord in each instance. If this Lease be assigned, or if the Demised Premises or any part thereof be underlet or occupied by anybody other than Tenant, Landlord may, after default by Tenant, collect rent from the assignee, undertenant or occupant, and apply the net amount collected to the rent herein reserved, but no assignment, underletting, occupancy or collection shall be deemed a waiver of the provisions hereof, the acceptance of the assignee, undertenant or occupant as tenant, or a release of Tenant from the further performance by Tenant of covenants on the part of Tenant herein contained. The consent by Landlord to an assignment or underletting shall not in any wise be construed to relieve Tenant from obtaining the express consent in writing of Landlord to any further assignment or underletting. In no event shall any permitted sublessee assign or encumber its sublease or further sublet all or any portion of its sublet space, or otherwise suffer or permit the sublet space or any part thereof to be used or occupied by others, without Landlord's prior written consent in each instance.

(B) If Tenant shall at any time or times during the Term desire to assign this Lease or sublet all or part of the Demised Premises, Tenant shall give notice thereof to Landlord, which notice shall be accompanied by (a) a conformed or photostatic copy of the proposed assignment or sublease, the effective or commencement date of which shall be not less than sixty (60) nor more than one hundred eighty (180) days after the giving of such notice, (b) a statement setting forth in reasonable detail the identity of the proposed assignee

or subtenant, the nature of its business and its proposed use of the Demised Premises, and (c) current financial information with respect to the proposed assignee or subtenant, including, without limitation, its most recent financial report.

(C) Provided that Tenant is not in default of any of Tenant's obligations under this Lease after notice and the expiration of any applicable grace period, Landlord's consent (which must be in writing and in form reasonably satisfactory to Landlord) to the proposed assignment or sublease shall not be unreasonably withheld or delayed, provided and upon condition that;

(a) Tenant shall have complied with the provisions of Paragraph B;

(b) In Landlord's reasonable judgment the proposed assignee or subtenant is engaged in a business and the Demised Premises, or the relevant part thereof, will be used in a manner which (i) is in keeping with the then standards of the Building, (ii) is limited to the use expressly permitted under this Lease, and (iii) will not violate any negative covenant as to use contained in any other lease of space in the Building;

(c) The proposed assignee or subtenant is a reputable person of good character and with sufficient financial worth considering the responsibility involved, and Landlord has been furnished with reasonable proof thereof;

No (d) Neither (i) the proposed assignee or sublessee nor (ii) any person which, directly or indirectly, controls, is controlled by, or is under common control with, the proposed assignee or sublessee or any person who controls the proposed assignee or sublessee, is then an occupant of any part of the Building;

(e) The proposed assignee or sublessee is not a person with whom Landlord

is then negotiating to lease space in the Building;

(f) The form of the proposed sublease shall be in form reasonably satisfactory to Landlord and shall comply with the applicable provisions of this Article;

(g) No subletting shall be for less than _____ contiguous rentable square feet and at no time shall there be more than () occupants, including Tenant, in the Demised Premises;

NO (h) The amount of the fixed and additional rent to be paid by the proposed subtenant is not less than the fixed rent and additional rent per rentable square foot at which Landlord is then offering to lease other space in the Building;

(i) Tenant shall reimburse Landlord on demand for any reasonable costs that may be incurred by Landlord in connection with said assignment or sublease, including, without limitation, the costs of making investigations as to the acceptability of the proposed assignee or subtenant, and reasonable legal costs incurred in connection with the granting of any requested consent;

(j) Tenant (and any broker engaged by Tenant) shall not have advertised or publicized in any way whether through newspapers, brochures, mailings or otherwise, the proposed rental Tenant is seeking;

(k) The sublease shall not allow the use of the Demised Premises or any part thereof for (i) the preparation and/or sale of food for on or off premises consumption or (ii) use by a foreign or domestic governmental agency (other than an agency of Tenant named herein) or (iii) any use prohibited under this Lease; and

(l) The proposed assignee or subtenant shall, in the opinion of the Port

Authority (if required by the terms of the Underlying Lease), be eligible, suitable and qualified as a World Trade Center tenant.

Each subletting pursuant to this Article shall be subject to all of the covenants, agreements, terms, provisions and conditions contained in this Lease.

Notwithstanding any such subletting to Landlord or any such subletting to any other subtenant and/or acceptance of rent or additional rent by Landlord from any subtenant, Tenant shall and will remain fully liable for the payment of the fixed rent and additional rent due and to become due hereunder and for the performance of all the covenants, agreements, terms, provisions and conditions contained in this Lease on the part of Tenant to be performed and all acts and omissions of any licensee or subtenant or anyone claiming under or through any subtenant which shall be in violation of any of the obligations of this Lease, and any such violation shall be deemed to be a violation by Tenant.

Tenant further agrees that notwithstanding any such subletting, no other and further subletting of the Demised Premises by Tenant or any person claiming through or under Tenant shall or will be made except upon compliance with and subject to the provisions of this Article. If Landlord shall decline to give its consent to any proposed assignment or sublease, Tenant shall indemnify, defend and hold harmless Landlord against and from any and all loss, liability, damages, costs and expenses (including reasonable counsel fees) resulting from any claims that may be made against Landlord by the proposed assignee or sublessee or by any brokers or other persons claiming a commission or similar compensation in connection with the proposed assignment or sublease.

(D) In the event that Tenant fails to execute and deliver the assignment or sublease to which Landlord consented within ninety (90) days after the giving of such consent,

then, Tenant shall again comply with all of the provisions and conditions of Paragraph (B) before assigning this Lease or subletting all or part of the Demised Premises.

(E) With respect to each and every sublease or subletting authorized by Landlord under the provisions of this Lease, it is further agreed:

(a) no subletting shall be for a term ending later than one day prior to the Expiration Date of this Lease;

(b) no sublease shall be valid, and no subtenant shall take possession of the Demised Premises or any part thereof, until an executed counterpart of such sublease has been delivered to Landlord; and

(c) each sublease shall provide that it is subject and subordinate to this Lease and to the matters to which this Lease is or shall be subordinate, and that in the event of termination, re-entry or dispossession by Landlord under this Lease Landlord may, at its option, take over all of the right, title and interest of Tenant, as sublessor, under such sublease, and such subtenant shall at Landlord's option, attorn to Landlord pursuant to the then executory provisions of such sublease, except that Landlord shall not (i) be liable for any previous act or omission of Tenant under such sublease, (ii) be subject to any offset, not expressly provided in such sublease, which theretofore accrued to such subtenant against Tenant, or (iii) be bound by any previous modification of such sublease or by any previous prepayment of more than one month's rent.

(F) If the Landlord shall give its consent to any assignment of this Lease or to any sublease, Tenant shall in consideration therefor, pay to Landlord, as additional rent;

(a) in the case of an assignment, an amount equal to all sums and other considerations paid to Tenant by the assignee for or by reason of such assignment (including,

50/50
Share ?

but not limited to, sums paid for the sale of Tenant's fixtures, leasehold improvements, equipment, furniture, furnishings or other personal property, less, in the case of a sale thereof, the then net unamortized or undepreciated cost thereof determined on the basis of Tenant's federal income tax returns); and

(b) in the case of a sublease, any rents, additional charges or other consideration payable under the sublease to Tenant by the subtenant which is in excess of the fixed rent and additional rent accruing during the term of the sublease in respect of the subleased space (at the rate per square foot payable by Tenant hereunder) pursuant to the terms hereof (including, but not limited to, sums paid for the sale or rental of Tenant's fixtures, leasehold improvements, equipment, furniture or other personal property, less, in the case of the sale thereof, the then net unamortized or undepreciated cost thereof determined on the basis of Tenant's federal income tax returns). The sums payable under this Paragraph (F)(b) shall be paid to Landlord as and when paid by the subtenant to Tenant,

(G) If Tenant is a corporation, the provisions of Paragraph (a) shall apply to a transfer (by one or more transfers) of a majority of the stock of Tenant as if such transfer of a majority of the stock of Tenant were an assignment of this Lease; but said provisions shall not apply to transactions with a corporation into or with which Tenant is merged or consolidated or to which substantially all of Tenant's assets are transferred or to any corporation which controls or is controlled by Tenant or is under common control with Tenant, provided that in any of such events (a) the successor to Tenant has a net worth computed in accordance with generally accepted accounting principles at least equal to the greater (i) the net worth of Tenant immediately prior to such merger, consolidation or transfer, or (ii) the net worth of Tenant herein named on the date of this Lease, and (iii) proof satisfactory to Landlord of such

net worth shall have been delivered to Landlord at least 10 days prior to the effective date of any such transaction.

(H) Any assignment or transfer shall be made only if, and shall not be effective until, the assignee shall execute, acknowledge and deliver to Landlord an agreement in form and substance satisfactory to Landlord whereby the assignee shall assume the obligations of this Lease on the part of Tenant to be performed or observed and whereby the assignee shall agree that the provisions in Paragraph (A) shall, notwithstanding such assignment or transfer, continue to be binding upon it in respect of all future assignments and transfers. The original named Tenant covenants that, notwithstanding any assignment or transfer, whether or not in violation of the provisions of this Lease, and notwithstanding the acceptance of fixed rent and/or additional rent by Landlord from an assignee, transferee, or any other party, the original named Tenant shall remain fully liable for the payment of the fixed rent and additional rent and for the other obligations of this Lease on the part of Tenant to be performed or observed.

(I) The joint and several liability of Tenant and any immediate or remote successor in interest of Tenant and the due performance of the obligations of this Lease on Tenant's part to be performed or observed shall not be discharged, released or impaired in any respect by any agreement or stipulation made by Landlord extending the time of, or modifying any of the obligations of, this Lease, or by any waiver or failure of Landlord to enforce any of the obligations of this Lease.

(J) The listing of any name other than that of Tenant, whether on the doors of the Demised Premises or the Building directory, or otherwise, shall not operate to vest any right or interest in this Lease or in the Demised Premises, nor shall it be deemed to be the

consent of Landlord to any assignment or transfer of this Lease or to any sublease of the Demised Premises or to the use or occupancy thereof by others.

(K) Tenant hereby agrees that the elevator lobby and public hallways on any floor on which Tenant shall have subleased space to a subtenant shall conform in all respects (including, without limitation, colors schemes) to either (a) the elevator lobby and hallways (if any) on other floors leased to Tenant (if Tenant has leased more than one (1) floor from Landlord) or (b) Landlord's then Building standard for elevator lobbies and public hallways on multi-tenanted floors of the Building, including identifications signs, or shall otherwise be approved in writing by Landlord, prior to the commencement of work thereon, notwithstanding anything in this Lease to the contrary.

ARTICLE 21

NOTICES

A. Any notice required to be given shall be in writing and shall be sent by certified mail and addressed to Landlord at the address hereinbefore set forth or to Tenant addressed to:

ASSISTANT COMMISSIONER FOR
LEASING, ~~ACQUISITIONS~~ AND SPACE DESIGN
Department of Citywide Administrative Services
Division of Real Estate Services
1 Centre Street, 20th Floor North
New York, N.Y. 10007

and

Either party may change its address as set forth herein by notice to the other in the manner provided for herein, provided that no notice of change of address shall be effective until the month following the month in which notice is given. Notice shall be deemed given as of 2 days after the

day of mailing.

B. Special Notices: In addition to any other notices expressly required under this Lease to be given by Landlord to Tenant, Landlord shall ~~immediately~~ **promptly** give written notice to Tenant of (i) the giving of any notice or the taking of any action by the holder of any mortgage of the Premises, the result of which may be the foreclosure of, or the sale or taking of possession of, all or any part of the Premises, (ii) the commencement of a case in bankruptcy or under the laws of any state naming Landlord as the debtor, or (iii) the making by Landlord of an assignment or any other arrangement for the benefit of creditors under any state statute.

C. Notwithstanding the foregoing, service of process to commence a summary proceeding pursuant to Article 7 of the Real Property Actions and Proceeding Law (" RPAPL") relating to an occupancy by the City of New York or its agencies or officers of the Demised Premises which at its commencement was authorized under this Lease shall be served in manner required by CPLR Section 311.

ARTICLE 22

FORCE MAJEURE

Landlord, Tenant or any Leasehold Mortgagee shall not be deemed in default if it is delayed in the performance of any act, matter or thing **(other than the payment of money)** which it is obligated to perform hereunder, if such delay is an "unavoidable delay". An "unavoidable delay" shall mean (i) strikes, lockouts, or labor disputes; (ii) acts of God, governmental restrictions, regulations or controls, enemy or hostile governmental actions, civil commotion, insurrection, revolution, sabotage, fire, other casualty **and (iii) inability to obtain materials** or other conditions similar to those enumerated in this Article. In the event of any unavoidable delay, all dates for

performance shall automatically be extended by a period equal to the aggregate period of all such delays.

ARTICLE 23

SAVE HARMLESS

Landlord and Tenant shall each indemnify and hold harmless the other party from and against any and all liability, fines, suits, claims, demands, expenses and actions of any kind or nature arising by reason of injury to person or property occurring on or about the Demised Premises, the Building, or the real property of which they form a part, occasioned in whole or in part by its acts or omissions or the acts or omissions of any person present by its license and/or permission, express or implied, or by reason of Landlord performing preventive maintenance pursuant to a maintenance contract, or by reason of ~~Landlord's~~ **either party's** failure to comply with obligations arising under the ADA as set forth in Article 7 of this Lease.

ARTICLE 24

INVESTIGATIONS

1.1 The parties to this agreement agree to cooperate fully and faithfully with any investigation, audit or inquiry conducted by a State of New York (State) or City of New York (City) governmental agency or authority that is empowered directly or by designation to compel the attendance of witnesses and to examine witnesses under oath, or conducted by the Inspector General of a governmental agency that is a party in interest to the transaction, submitted bid, submitted proposal, contract, lease, permit, or license that is the subject of the investigation, audit or inquiry.

1.2 ~~(a)~~ **(a)** If any person who has been advised that his or her statement, and any

information from such statement, will not be used against him or her in any subsequent criminal proceeding refuses to testify before a grand jury or other governmental agency or authority empowered directly or by designation to compel the attendance of witnesses and to examine witnesses under oath concerning the award of or performance under any transaction, agreement, lease, permit, contract, or license entered into with the City, the State, or any political subdivision or public authority thereof, or the Port Authority of New York and New Jersey, or any local development corporation within the City, or any public benefit corporation organized under the laws of the State of New York, or;

1.2 ~~-(b)-~~ (b) If any person refuses to testify for a reason other than the assertion of his or her privilege against self-incrimination in an investigation, audit or inquiry conducted by a City or State governmental agency or authority empowered directly or by designation to compel the attendance of witnesses and to take testimony under oath, or by the Inspector General of the governmental agency that is a party in interest in, and is seeking testimony concerning the award of, or performance under, any transaction, agreement, lease, permit contract, or license entered into with the City, the State, or any political subdivision thereof or any local development corporation within the City, then;

1.3 ~~-(a)-~~ (a) The commissioner or agency head whose agency is a party in interest to the transaction, submitted bid, submitted proposal, contract, lease, permit, or license shall convene a hearing, upon not less than five (5) days written notice to the parties involved to determine if any penalties should attach for the failure of a person to testify.

1.3 ~~-(b)-~~ (b) If any non-governmental party to the hearing requests an adjournment, the commissioner or agency head who convened may, upon granting the adjournment, suspend any contract, lease, permit, or license pending the final determination pursuant to

paragraph 1.5 below without the City incurring any penalty or damages for delay or otherwise.

1.4 The penalties which may attach after a final determination by the commissioner or agency head may include but shall not exceed:

- (a) The disqualification for a period not to exceed five (5) years from the date of an adverse determination for any person, or any entity of which such person was a member at the time the testimony was sought, from submitting bids for, or transacting business with, or entering into or obtaining any contract, lease, permit or license with or from the City; and/or
- (b) The cancellation or termination of any and all such existing City contracts, leases, permits or licenses that the refusal to testify concerns and that have not been assigned as permitted under this agreement, nor the proceeds of which pledged, to an unaffiliated and unrelated institutional lender for fair value prior to the issuance of the notice scheduling the hearing, without the City incurring any penalty or damages on account of such cancellation or termination; monies lawfully due for goods delivered, work done, rentals, or fees accrued prior to the cancellation or termination shall be paid by the City.

1.5 The commissioner or agency head shall consider and address in reaching his or her determination and in assessing an appropriate penalty the factors in paragraphs (a) and (b) below. He or she may also consider, if relevant and appropriate, the criteria established in paragraphs (c) and (d) below in addition to any other information which may be relevant and appropriate:

- (a) The party's good faith endeavors or lack thereof to cooperate fully and faithfully with any governmental investigation or audit, including but not limited to the discipline, discharge, or disassociation of any person failing to testify, the production of accurate and complete books and records, and the forthcoming testimony of all other members, agents, assignees or fiduciaries whose testimony is sought.
- (b) The relationship of the person who refused to testify to any entity that is a party to the hearing, including, but not limited to, whether the person

whose testimony is sought has an ownership interest in the entity and/or the degree of authority and responsibility the person has within the entity.

- (c) The nexus of the testimony sought to the subject entity and its contracts, leases, permits or licenses with the City.
- (d) The effect a penalty may have on an unaffiliated and unrelated party or entity that has a significant interest in an entity subject to penalties under 1.4 above, provided that the party or entity has given actual notice to the commissioner or agency head upon the acquisition of the interest, or at the hearing called for in 1.3(a) above gives notice and proves that such interest was previously acquired. Under either circumstance the party or entity must present evidence at the hearing demonstrating the potential adverse impact a penalty will have on such person or entity.

1.6 ~~-(a)-~~ (a) The term "license" or "permit" as used herein shall be defined as a license, permit, franchise or concession not granted as a matter of right.

1.6 ~~-(b)-~~ (b)

The term "person" as used herein shall be defined as any natural person doing business alone or associated with another person or entity as a partner, director, officer, principal or employee.

1.6 ~~-(c)-~~ (c) The term "entity" as used herein shall be defined as any firm, partnership, corporation, association, or person that receives monies, benefits, licenses, leases, or permits from or through the City or otherwise transacts business with the City.

1.6 ~~-(d)-~~ (d)

The term "member" as used herein shall be defined as any person associated with another person or entity as a partner, director, officer, principal or employee.

1.7 In addition to and notwithstanding any other provision of this Agreement, the Commissioner or agency head may in his or her sole discretion terminate this Agreement upon not less than three (3) days written notice in the event contractor fails to promptly report in writing to

the Commissioner of Investigation of the City of New York any solicitation of money, goods, requests for future employment of other benefit or thing of value, by or on behalf of any employee of the City or other person, firm, corporation or entity for any purpose which may be related to the procurement or obtaining of this Lease by the Landlord, or affecting the performance of this Lease.

ARTICLE 25

SIGNIFICANT RELATED PARTY TRANSACTIONS

Landlord shall be required to disclose and notify Tenant of any transactions with significant related parties, including subsidiaries and affiliates of Landlord, the costs of which are charged to Tenant as rent, including, but not limited to, Base Year Operating Expenses (if CPI formula is used) overtime HVAC, Tenant Repairs Common Area Electricity. Landlord shall provide Tenant with written notice of such transactions upon submission of invoices for Rent or at the end of the calendar year in which the transactions to be billed as Rent were performed by significant related parties. When such transactions occur, prices of same must be in line with normal industry practice in New York City. **Upon 5 days notice to Landlord and** Landlord's failure to notify Tenant of such related party transactions shall result in a disallowance of such costs that would otherwise be billed as rent. If such related party transactions occurred and were disclosed, but it is found by Tenant that the costs thereof exceed normal industry costs in an arms length third party transaction in New York City, then such excessive charges shall be disallowed.

This Article excludes management fees included in Operating Expenses.

ARTICLE 26

ASBESTOS

(Language to be supplied following receipt of COSH Report)

ARTICLE 27

LANDLORD' S REPRESENTATIONS

Landlord hereby warrants that , to the best of its knowledge, it is not in default of any obligation to the City of New York, nor is Landlord, its officers, principals or stockholders a defendant in any action instituted by the City.

The partners or, if a corporate entity, officers and shareholders of the corporation, who ~~own the premises~~ currently own the leasehold estate of the Underlying Lease are as follows:

~~Any~~ Any misrepresentation by Landlord with regard to this warranty shall constitute a basis for rescission of this Lease.

ARTICLE 28

NO WAIVER

The failure by Landlord or Tenant to insist, in one or more instances upon the full performance of any of ~~Landlord's~~ the covenants, conditions or obligations ~~hereunder~~ of the other party shall not be construed as a waiver of a subsequent breach of the same or any other covenant or condition, and the consent or approval by Landlord or Tenant to or of any act ~~by Landlord~~ requiring ~~Tenant's~~ such consent or approval shall not be construed to waive or render unnecessary ~~Tenant's~~ consent or approval to or of any subsequent similar act ~~by Landlord~~ . No provision of this ~~lease~~ Lease shall be deemed to have been waived by Tenant or Landlord unless such waiver be in writing signed by ~~Tenant~~ the party against whom it is to be charged .

ARTICLE 29

BROKERAGE

~~<Tenant shall in no event be liable for brokerage commissions>~~ Landlord and Tenant
represent to the other that neither has dealt with any broker in connection with this Lease
other than CB COMMERCIAL REAL ESTATE GROUP, INC. (" Broker'). Landlord shall
pay any commission owing to the Broker. Tenant and Landlord hereby indemnify and hold
each other harmless against all loss, damage liability, cost and expense of any nature
(including reasonable attorney' s fees and disbursements) based on any claim by any party
other than the Broker with whom such indemnifying party has dealt for a commission or
other compensation in connection with this Lease which is based on the actions of such party
or its agents or representatives. The indemnified party shall cooperate with the indemnifying
party in any defense; the indemnified party shall not settle a claim, liability or action for
which the indemnifying party has the obligation to defend or indemnify without the
indemnifying party' s consent, which consent shall not be unreasonably withheld or delayed.
The foregoing indemnifications shall survive any expiration or termination of this Lease .

ARTICLE 30

~~<LEASE ENTIRE AGREEMENT~~

~~This Lease sets forth the entire Agreement between the parties, superseding all prior~~
~~agreements and understandings, written or oral, and may not be altered or modified except~~
~~by a writing signed by both parties. This Lease shall be binding upon the parties hereto, their~~
~~successors, legal representatives and assigns>~~ CONDITIONS OF LIMITATION

(A) This Lease and the Term and estate hereby granted are subject to the
limitations that:

(a) if Tenant shall file a voluntary petition seeking an order for relief under

Title 11 of the United States Code, or Tenant shall be adjudicated a debtor, bankrupt or insolvent, or shall file any petition or answer seeking, consenting to or acquiescing in any order for relief, reorganization, arrangement, composition, adjustment, winding-up, liquidation, dissolution or similar relief with respect to Tenant or its debts under the present or any future federal bankruptcy act or any other present or future applicable federal, state or other statute or law (foreign or domestic), or shall file an answer admitting or failing to deny the material allegations of a petition against it for any such relief or shall generally not, or shall be unable to, pay its debts as they become due or shall admit its insolvency or its inability to pay its debts as they become due, or shall make a general assignment for the benefit of creditors or shall seek or consent or acquiesce in the appointment of any trustee, receiver, examiner, assignee, sequestrator, custodian or liquidator or similar official of Tenant or of all or any part of Tenant's property or if Tenant shall take any action in furtherance of or authorizing any of the foregoing; or if Tenant shall call a meeting of, or propose any form of arrangement, composition, extension or adjustment with, its creditors holding a majority in amount of Tenant's outstanding indebtedness; or

(b) if any case, proceeding or other action shall be commenced or instituted against Tenant, seeking to adjudicate Tenant a bankrupt or insolvent, or seeking an order for relief against Tenant as debtor, or reorganization, arrangement, composition, adjustment, winding-up, liquidation, dissolution or similar relief with respect to Tenant or its debts under any present or future federal bankruptcy act or any other present or future applicable federal, state or other statute or law (foreign or domestic), or seeking appointment of any trustee, receiver, examiner, assignee, sequestrator, custodian or liquidator or similar official of Tenant or of all or any part of Tenant's property, which either (i) results in the entry of an

order for relief, adjudication of bankruptcy or insolvency or such an appointment or the issuance or entry of any other order having a similar effect or (ii) remains undismissed for a period of sixty (60) days; or if any case, proceeding or other action shall be commenced or instituted against Tenant seeking issuance of a warrant of execution, attachment, distraint or similar process against Tenant or any of Tenant's property which results in either (x) the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within sixty (60) days after the entry thereof or (y) the taking or occupancy of the Demised Premises or an attempt to take or occupy the Demised Premises; or

(c) if Tenant shall default in the payment when due of any installment of fixed rent or in the payment when due of any additional rent, and any such default shall continue for a period of three (3) business days after notice by Landlord to Tenant that such rent is due; or

(d) if Tenant shall default in the performance of any term of this Lease on Tenant's part to be performed (other than the payment of fixed rent and additional rent) and Tenant shall fail to remedy such default as soon as practicable and in any event within fifteen (15) days after notice by Landlord to Tenant of such default, or if such default is of such a nature that it can be remedied, but cannot be completely remedied within said period of fifteen (15) days, if Tenant shall not (x) promptly upon the giving by Landlord of such notice, advise Landlord of Tenant's intention to institute all steps necessary to remedy such situation, (y) promptly institute and thereafter diligently prosecute to completion all steps necessary to remedy the same, and (z) complete such remedy within a reasonable time after the date of the giving of said notice by Landlord and in any event prior to such time as would either (i) subject Landlord, Landlord's agents, superior lessor or superior mortgagee to prosecution for

a crime or (ii) cause a default under the Underlying Lease or the superior mortgage; or

(e) if any event shall occur or any contingency shall arise whereby this Lease or the estate hereby granted or the unexpired balance of the Term would, by operation of law or otherwise, devolve upon or pass to any person other than Tenant except as is expressly permitted under Article 20; or

(f) if the Demised Premises shall become abandoned (and the fact that any of Tenant's property remains in the Demised Premises shall not constitute evidence that Tenant has not abandoned the Demised Premises) or if Tenant shall fail to take occupancy of the Demised Premises, or a floor thereof, as the case may be, within one hundred eighty (180) days after the Commencement Date; or

(g) if Tenant shall default in the performance of any term, covenant, agreement or condition on Tenant's part to be observed or performed under any other Lease with Landlord of space in the Building and such default shall continue beyond the grace period, if any, set forth in such other lease for the remedying of such default, then in any of said events Landlord may give to Tenant notice of intention to terminate this Lease and to end the Term and the estate hereby granted at the expiration of three (3) days from the date of the giving of such notice, and, in the event such notice is given, this Lease and the Term and estate hereby granted (whether or not the Term shall have commenced) shall terminate upon the expiration of said three (3) days with the same effect as if that day were the Expiration Date, but Tenant shall remain liable as provided in Article 32.

(B) Nothing in Paragraph (A) shall be deemed to require Landlord to give the notices therein provided for prior to the commencement of a summary proceeding for non-payment of rent or a plenary action for the recovery of rent on account of any default in

the payment of the same, it being intended that such notices are for the sole purpose of creating a conditional limitation hereunder pursuant to which this Lease shall terminate and if Tenant thereafter remains in possession or occupancy, it shall become a holdover tenant.

(C) If the Demised Premises shall at any time be or become vacant, deserted or abandoned or if Tenant shall be in default beyond any applicable grace period provided in Paragraph (A), then, in any such event, Landlord may without notice refuse to provide overtime services unless Tenant has made arrangements for advance payment acceptable to Landlord.

(D) If, at any time (a) Tenant shall be comprised of two or more persons, or (b) there is a guarantor of any of Tenant's obligations under this Lease, or (c) Tenant's interest in this Lease shall have been assigned, the word "Tenant", as used in Subsections (a) and (b) of Paragraph (A), shall mean any one or more of the persons primarily or secondarily liable for Tenant's obligations under this Lease. Any sums received by Landlord from or on behalf of Tenant during the pendency of any proceeding of the types referred to in Subsections (a) and (b) of Paragraph (A) shall be deemed paid as compensation for the use and occupancy of the Demised Premises and the acceptance of any such compensation by Landlord shall not be deemed an acceptance of rent or a waiver on the part of Landlord of any rights under this Article or Article 32 .

ARTICLE 31

~~APPLICABLE LAW~~

~~This Lease shall be governed by and construed in accordance with the internal laws of the State of New York.~~

~~IN WITNESS WHEREOF, the said parties have caused this Lease to be executed the day and
year first above written.~~

~~Landlord~~

~~By~~

~~THE CITY OF NEW YORK,~~

~~Tenant~~

~~By~~

~~Deputy Commissioner~~

~~Department of Citywide Administrative Services~~

~~Approved as to Form:~~

~~Acting Corporation Counsel~~

~~STATE OF NEW YORK)~~

~~SS.:~~

~~COUNTY OF)~~

~~On this day of, 19, before me personally came~~

~~to me known who, being by me duly sworn, did depose and say that (s)he resides in~~

~~that (s)he is~~

~~of~~

~~the corporation described in and which executed the foregoing instrument, that (s)he knows
the corporate seal of said corporation and the seal affixed to said instrument is such corporate
seal, that it was affixed by order of the Board of Directors of said corporation and that (s)he
signed his name thereto by like order.~~

~~STATE OF NEW YORK)~~

~~SS:~~

~~COUNTY OF)~~

~~On this day of , 19 , before me personally came~~

~~to me known and known to me to be a member of the firm of~~

~~the firm described in and which executed the foregoing instrument~~

~~and said~~

~~acknowledged that (s)he executed the foregoing instrument for and in behalf of said firm, as
qualified partner thereof.~~

~~STATE OF NEW YORK)~~

~~SS.:~~

~~COUNTY OF)~~

~~On this day of , 19 before me personally came~~

~~to me known to be the person described in and who executed the foregoing instrument and~~

~~(s)he acknowledged to me that (s)he executed the same.~~

~~STATE OF NEW YORK)~~

~~SS.:~~

~~COUNTY OF)~~

~~On this day of , 1996, before me personally came~~

~~to me known and known to me to be a partner of the partnership of~~

~~the partnership described in and which executed the foregoing instrument and said
acknowledged that (s)he executed the foregoing instrument for and in behalf of said
partnership, as qualified partner thereof.~~

~~STATE OF NEW YORK)~~

~~SS.:~~

~~COUNTY OF NEW YORK)~~

~~On this day of, 1997, before me personally came~~

~~Lori Fierstein, to me known to be the Deputy Commissioner of Citywide Administrative
Services of the City of New York, the person described in and who executed the foregoing
instrument and she acknowledged to me that she executed the same.~~

EXHIBIT " "

PREVENTIVE MAINTENANCE REQUIREMENTS

1. Replacement of air filters at A/C units at least every three months:

2. Seasonal inspection of water heater units for good working condition:

3. Seasonal inspections of the following heating/mechanical system and sub-systems for good working conditions:

a) Boiler, Burner and Safety Control:

b) Compressors including unloaders:

~~c) Electric Baseboard Heaters including thermostats, elements, enclosures and fastening to wall;~~

~~d) Electric Duct Heaters including elements, safety controls and air flow switches;~~

~~e) Fan Belts and A/C units and exhaust fans;~~

~~f) Heating coils including control valves and fins;~~

~~g) Hot Water Baseboard Heaters;~~

~~h) Outside Air Intakes and Dampers including damper motors linkage;~~

~~i) Temperature Controls including room, return air, discharge thermostats and covers;~~

~~j) Toilet and Kitchen Exhaust Fans; and~~

~~k) Result of asbestos air sampling, if O&M in effect;~~

~~The Landlord's service contractor shall prepare a log indicating his findings and a report indicating that a repair has been performed. He shall submit a copy of his log to the [Direct Lease/Landlord Relations Unit at the Agency for Child Development] [Tenant/Occupying Agency];~~

~~WHEN MANAGEMENT FEES ARE
INCLUDED IN OPERATING EXPENSES~~

~~1. Items included in Operating Expenses:~~

~~(3) Management fees provided that said management fee shall be no higher than that which is
ordinary and customary in the real estate management industry in New York City.~~

~~ALTERNATIVE BROKERAGE LANGUAGE~~

~~Landlord and Tenant represent to the other that neither has dealt with any broker in
connection with this Lease other than (Broker). Landlord shall pay any commission owing to
the Broker. Tenant and Landlord hereby indemnify and hold each other harmless against all
loss, damage liability, cost and expense of any nature (including reasonable attorneys fees and
disbursements) based on any claim by any party other than the Broker with whom such
indemnifying party has dealt for a commission or other compensation in connection with this
Lease which is based on the actions of such party or its agents or representatives. The
indemnified party shall cooperate with the indemnifying party in any defense; the
indemnified party shall not settle a claim, liability or action for which the indemnifying party
has the obligation to defend or indemnify without the indemnify without the indemnifying
partys consent. The foregoing indemnifications shall survive any expiration or > RE-ENTRY~~

BY LANDLORD

(A) If Tenant shall default in the payment of any installment of fixed rent, or of any additional rent, on any date upon which the same ought to be paid, and if such default shall continue for three (3) business days after Landlord shall have given to Tenant a notice specifying such default, or if this Lease shall expire as in Article 30 provided, Landlord or Landlord's agents and employees may immediately or at any time thereafter re-enter the Demised Premises, or any part thereof, in the name of the whole, either by summary dispossession proceedings or by any suitable action or proceeding at law, or by force or otherwise, without being liable to indictment, prosecution or damages therefor, and may repossess the same, and may remove any persons therefrom, to the end that Landlord may have, hold and enjoy the Demised Premises again as and of its first estate and interest therein. The word re-enter, as herein used, is not restricted to its technical legal meaning. In the event of any termination of this Lease under the provisions of Article 30 or if Landlord shall re-enter the Demised Premises under the provisions of this Article or in the event of the termination of this Lease, or of re-entry, by or under any summary dispossession or other proceeding or action or any provision of law by reason of default hereunder on the part of Tenant, Tenant shall thereupon pay to Landlord the fixed rent and additional rent payable by Tenant to Landlord up to the time of such termination of this Lease, or of such recovery of possession of the Demised Premises by Landlord, as the case may be, and shall also pay to Landlord damages as provided in Article 32.

(B) In the event of a breach or threatened breach by Tenant of any of its obligations under this Lease, Landlord shall also have the right of injunction. The special remedies to which Landlord may resort hereunder are cumulative and are not intended to be

exclusive of any other remedies or means of redress to which Landlord may lawfully be entitled at any time and Landlord may invoke any remedy allowed at law or in equity as if specific remedies were not provided for herein.

(C) If this Lease shall terminate under the provisions of Article 30, or if Landlord shall re-enter the Demised Premises under the provisions of this Article, or in the event of the termination of this Lease, or of re-entry, by or under any summary dispossession or other proceeding or action or any provision of law by reason of default hereunder on the part of Tenant, Landlord shall be entitled to retain all moneys, if any, paid by Tenant to Landlord, whether as advance rent, security or otherwise, but such moneys shall be credited by Landlord against any fixed rent or additional rent due from Tenant at the time of such termination or re-entry or, at Landlord's option, against any damages payable by Tenant under Article 32 or pursuant to law.

ARTICLE 32

DAMAGES

(A) If this Lease is terminated under the provisions of Article 30, or if Landlord shall re-enter the Demised Premises under the provisions of Article 31, or in the event of the termination of this Lease↔, or of re-entry, by or under any summary dispossession or other proceeding or action or any provision of law by reason of default hereunder on the part of Tenant, Tenant shall pay to Landlord as damages, at the election of Landlord either:

(a) a sum which at the time of such termination of this Lease or at the time of any such re-entry by Landlord, as the case may be, represents the then value of the excess, if any, of:

(1) the aggregate of the fixed rent and the additional rent payable

hereunder which would have been payable by Tenant (conclusively presuming the additional rent to be the same as was payable for the year immediately preceding such termination) for the period commencing with such earlier termination of this Lease or the date of any such re-entry, as the case may be, and ending with the Expiration Date, had this Lease not so terminated or had Landlord not so re-entered the Demised Premises; over

*limit to 18 months
rent.
open*

(2) the aggregate rental value of the Demised Premises for the same period; or

(b) sums equal to the fixed rent and the additional rent (as above presumed) payable hereunder which would have been payable by Tenant had this Lease not so terminated, or had Landlord not so re-entered the Demised Premises, payable upon the due dates therefor specified herein following such termination or such re-entry and until the Expiration Date, provided, however, that if Landlord shall relet the Demised Premises during said period, Landlord shall credit Tenant with the net rents received by Landlord from such reletting, such net rents to be determined by first deducting from the gross rents as and when received by Landlord from such reletting the expenses incurred or paid by Landlord in terminating this Lease or in re-entering the Demised Premises and in securing possession thereof, as well as the expenses of reletting, including altering and preparing the Demised Premises for new tenants, brokers' commissions, and all other expenses properly chargeable against the Demised Premises and the rental therefrom; it being understood that any such reletting may be for a period shorter or longer than the remaining term of this Lease; but in no event shall Tenant be entitled to receive any excess of such net rents over the sums payable by Tenant to Landlord hereunder, nor shall Tenant be entitled in any suit for the collection of damages pursuant to this Subsection to a credit in respect of any net rents from a reletting,

except to the extent that such net rents are actually received by Landlord. If the Demised Premises or any part thereof should be relet in combination with other space, then proper apportionment on a square foot basis (for equivalent space) shall be made of the rent received from such reletting and of the expenses of reletting. If the Demised Premises or any part thereof be relet by Landlord for the unexpired portion of the term of this Lease, or any part thereof, before presentation of proof of such damages to any court, commission or tribunal, the amount of rent reserved upon such reletting shall, prima facie, be the fair and reasonable rental value for the Demised Premises, or part thereof, so relet during the term of the reletting.

(B) Suit or suits for the recovery of such damages, or any installments thereof, may be brought by Landlord from time to time at its election, and nothing contained herein shall be deemed to require Landlord to postpone suit until the date when the term of this Lease would have expired if it had not been so terminated under the provisions of Article 30, or under any provision of law, or had Landlord not re-entered the Demised Premises. Nothing herein contained shall be construed to limit or preclude recovery by Landlord against Tenant of any sums or damages to which, in addition to the damages particularly provided above, Landlord may lawfully be entitled by reason of any default hereunder on the part of Tenant. Nothing herein contained shall be construed to limit or prejudice the right of Landlord to prove for and obtain as liquidated damages by reason of the termination of this Lease or re-entry on the Demised Premises for the default of Tenant under this Lease, an amount equal to the maximum allowed by any statute or rule of law in effect at the time when, and governing the proceedings in which, such damages are to be proved whether or not such amount be greater, equal to, or less than any of the sums referred to in Paragraph (A).

ARTICLE 33

MISCELLANEOUS

(A) If any governmental license or permit, other than a Certificate of Occupancy or certificate (final or partial) of substantial completion of the Port Authority, shall be required for the proper and lawful conduct of Tenant's business in the Demised Premises, or any part thereof, and if failure to secure such license or permit would in any way affect Landlord, Tenant, at its expense, shall duly procure and thereafter maintain such license or permit and submit the same for inspection by Landlord. Tenant shall at all times comply with the terms and conditions of each such license or permit.

(B) Tenant shall not at any time use or occupy, or suffer or permit anyone to use or occupy, the Demised Premises, or do or permit anything to be done in the Demised Premises, in violation of the Certificate of Occupancy or certificate (final or partial) of substantial completion of the Port Authority, for the Demised Premises or for the Building.

(C) Tenant shall not (a) use or permit the Demised Premises or any portion thereof to be used for retail store purposes or for the sale, preparation or serving of food or beverages, (b) install vending machines dispensing food, beverages or other merchandise in the Demised Premises, (c) install pay or coin-operated telephones in the Demised Premises, (d) sell or license the sale of lottery tickets or similar chances or devices nor conduct or license the conducting of off-track or other wagering operations or activities at or from the Demised Premises, (e) erect, maintain or display any signs, lettering, advertising, posters, displays or similar devices in the Demised Premises and (f) use or make any reference by advertising or otherwise to the names "World Trade Center", "The Port Authority of New York and New Jersey", "The Port Authority" or any simulation or abbreviation of any such names or any

emblem, picture or reproduction of the World Trade Center. No souvenir or souvenir-type merchandise, whether involving the World Trade Center or other Port Authority facilities (or depicting any aspect thereof) or bearing or carrying the World Trade Center legend or reproduction thereof shall be sold or displayed at or from the Demised Premises. Nothing contained in this Paragraph shall preclude Tenant from having a warming pantry as shown on Tenant's approved Plans, provided that such facility shall be for the service of food to Tenant, its employees and business guests (but not for use as a public restaurant), and Tenant shall comply with all applicable laws with respect thereto.

(D) Tenant shall not suffer or permit the use of any portion of the Demised Premises (a) for use by a foreign or, other than Tenant named herein, domestic governmental office, agency, bureau or other governmental instrumentality, (b) for use by or as a school, travel agency, medical or dental office or an employment, placement or executive recruitment agency, or (c) for use by a banking or other lending institution or office, agency, business or other governmental instrumentality engaged in business or dealing with the general public on an "off the street" basis.

(E) Each party agrees, at any time and from time to time, as requested by the other party, upon not less than ten (10) days' prior notice, to execute and deliver to the other a statement certifying (a) that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications) and whether any options granted to Tenant pursuant to the provisions of this Lease have been exercised, (b) certifying the dates to which the fixed rent and additional rent have been paid and the amounts thereof, and stating whether or not, to the best knowledge of the signer, the other party is in default in performance of any of its obligations under this

Lease, and, if so, specifying each such default of which the signer may have knowledge, it being intended that any such statement delivered pursuant hereto may be relied upon by others with whom the party requesting such certificate may be dealing. Additionally, Tenant's statement shall contain such other information as shall be required by the holder or proposed holder of any superior mortgage or the lessor or proposed lessor under any superior lease.

(F) Wherever in this Lease Landlord's consent or approval is required, if Landlord shall refuse such consent or approval, Tenant in no event shall be entitled to make, nor shall Tenant make, any claim, and Tenant hereby waives any claim for money damages (nor shall Tenant claim any money damages by way of set-off, counterclaim or defense) based upon any claim or assertion by Tenant that Landlord unreasonably withheld or unreasonably delayed its consent or approval. Tenant's sole remedy shall be an action or proceeding to enforce any such provision, for specific performance, injunction or declaratory judgment.

(G) The obligations of this Lease shall bind and benefit the successors and assigns of the parties hereto (herein sometimes referred to as the "parties") with the same effect as if mentioned in each instance where a party is named or referred to, except that no violation of the provisions of Article 20 shall operate to vest any rights in any successor or assignee of Tenant and that the provisions of this Article shall not be construed as modifying the conditions of limitation contained in Article 30. However, the obligations of Landlord under this Lease shall not be binding upon Landlord herein named with respect to any period subsequent to the transfer of its interest in the Building and/or Real Property as owner or lessee thereof and in event of such transfer said obligations shall thereafter be binding upon each transferee of the interest of Landlord herein named as such owner or lessee of the

Building and/or Real Property, but only with respect to the period ending with a subsequent transfer within the meaning of this Section.

(H) If Landlord shall be an individual, joint venture, tenancy in common, co-partnership, unincorporated association, or other unincorporated aggregate of individuals and/or entities or a corporation, Tenant shall look only to such Landlord's estate and property in the Building (or the proceeds thereof) and, where expressly so provided in this Lease, to offset against the rents payable under this Lease, for the satisfaction of Tenant's remedies for the collection of a judgment (or other judicial process) requiring the payment of money by Landlord in the event of any default by Landlord hereunder, and no other property or assets of such Landlord or any partner, member, officer or director thereof, disclosed or undisclosed, shall be subject to levy, execution or other enforcement procedure for the satisfaction of Tenant's remedies under or with respect to this Lease, the relationship of Landlord and Tenant hereunder or Tenant's use or occupancy of the Demised Premises.

(I) Tenant shall not cause or permit any Hazardous Materials (hereinafter defined) to be used, stored, transported, released, handled, produced or installed in, on or from the Demised Premises or the Building. "Hazardous Materials", as used herein, shall mean any flammables, explosives, radioactive materials, hazardous wastes, hazardous and toxic substances or related materials, asbestos or any material containing asbestos, or any other substance or material included in the definition of "hazardous substances", "hazardous wastes", hazardous materials", "toxic substances", "contaminants" or any other pollutant, or otherwise regulated by any Federal, state or local environmental law, ordinance, rule or regulation including, without limitation, the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, the Hazardous Materials

Transportation Act, as amended, the Resource Conservation and Recovery Act, as amended, and in the regulations adopted and publications promulgated pursuant to each of the foregoing. In the event of a violation of any of the foregoing provisions of this Section, Landlord may, without notice and without regard to any grace period contained herein, take all remedial action reasonably deemed necessary by Landlord to correct such condition and Tenant shall reimburse Landlord for the cost thereof, within ten (10) days after demand therefor, as additional rent. The provisions of this Section shall not prohibit Tenant from maintaining customary and normal office equipment and supplies used in its business to the extent the same are of a nature and in amounts which are incidental and customarily present at first class office buildings in Manhattan and provided such items are permitted and safeguarded as required by law and insurance bodies.

(J) Landlord represents that, to the best of its knowledge, no Hazardous Materials (as said term is defined on the date hereof) are currently present in the Building, and Landlord agrees not to cause or permit any Hazardous Materials to be used, stored, transported, released, handled, produced or installed in, on or from the Demised Premises or the Building.

(K) If the fixed rent or any additional rent shall be or become uncollectible by virtue of any law, governmental order or regulation, or direction of any public officer or body, Tenant shall enter into such agreement or agreements and take such other action (without additional expense to Tenant) as Landlord may request, as may be legally permissible, to permit Landlord to collect the maximum fixed rent and additional rent which may, from time to time during the continuance of such legal rent restriction be legally permissible, but not in excess of the amounts of fixed rent or additional rent payable under

this Lease. Upon the termination of such legal rent restriction, (a) the fixed rent and additional rent, after such termination, shall become payable under this Lease in the amount of the fixed rent and additional rent set forth in this Lease for the period following such termination, and (b) Tenant shall pay to Landlord, if legally permissible, an amount equal to (i) the fixed rent and additional rent which would have been paid pursuant to this Lease, but for such rent restriction, less (ii) the fixed rent and additional rent paid by Tenant to Landlord during the period that such rent restriction was in effect.

(L) Landlord reserves the right to exclude from all portions of the Building (other than specified areas of the ground floor) all messengers, couriers and delivery people other than those who are employees of a tenant in the Building. In such event Landlord shall accept on behalf of Tenant all deliveries of mail, air courier packages, express packages and other packages sent by similar means (including any hand deliveries of such mail and packages), shall permit messengers and couriers to pick up mail or packages left by Tenant and shall provide an area to be used for such purposes to which Tenant's employees shall deliver mail and packages to be picked up by others and from which such employees shall pick up and distribute mail and packages to be delivered to Tenant; provided, however, that Landlord may elect to provide such distribution to Tenant at Tenant's expense. Tenant shall comply with Landlord's rules relating to such area and services. Neither Landlord nor Landlord's agents or security personnel shall be liable to Tenant or Tenant's agents, employees, contractors, customers, clients, invitees or licensees or to any other person for, and Tenant hereby indemnifies Landlord and Landlord's agents and security personnel, against liability in connection with or arising out of damage to mail or packages, or the performance or non-performance by Landlord or any person acting by, through or under the direction of

Landlord of the services set forth in this Section (L) (including any liability in respect of the property of such persons), unless due to the willful misconduct of Landlord, or Landlord's agents or security personnel. No representation, guaranty or warranty is made or assurance given that the communications or security systems, devices or procedures of the Building will be effective to prevent injury to Tenant or any other person or damage to, or loss (by theft or otherwise) of, any property of Tenant (including Tenant's property) or of any other person, and Landlord reserves the right to discontinue or modify at any time such communications or security systems or procedures without liability to Tenant.

(M) Tenant shall not commit any nuisance on the Demised Premises, or do or permit to be done anything which might result in the creation or commission of a nuisance on the Demised Premises, and Tenant shall not cause or permit to be caused or produced upon the Demised Premises, to permeate the same or to emanate therefrom, any unusual, noxious or objectionable smoke, gases, vapor, odors, noises or vibrations.

(N) If as a result of (a) Landlord's failure to make repairs required to be performed by Landlord in or to any portion of the Demised Premises or the Building; or (b) Landlord's breach of its obligations to supply any essential service which pursuant to the terms of this Lease Landlord is obligated to supply in or about the Demised Premises (collectively " Untenantable Condition ") and such Untenantable Condition shall not be caused by any circumstances referred to in Articles 14, 15 or 22 (subject to the penultimate sentence of this Paragraph N or by any act or omission of Tenant or its officers, contractors, licensee, agents, employees, guests or visitors, or any utility company or required by any legal requirement, and as a result of the Untenantable Condition, (i) all or a material portion of the Demised Premises (the " Untenantable Premises ") are untenantable (it being agreed that a

material portion of Demised premises shall be deemed untenable if more than forty percent (40%) of the Demised Premises is rendered untenable), for a period in excess of ten (10) consecutive days in any one instance (commencing after written notice from Tenant to Landlord of the Untenable Condition if provided for herein in clause (iii) below or commencing upon the occurrence of the Untenable Condition if written notice is not provided for in clause (iii) below), (ii) Tenant shall vacate the Untenable Premises and cease doing business therein and (iii) Tenant shall give notice to Landlord of the facts set forth in (i) and (ii) above, making specific reference to this rent abatement provision if outside the Demised Premises no other tenant is then subject to a similar act, event or circumstance as the Untenable Condition, but if any other tenant is so affected, no such notice by Tenant shall be required hereby, then in such event, the portion of the Rents allocable to the Untenable Premises shall be fully abated for the period commencing on the eleventh (11th) consecutive day after all the conditions set forth in (i), (ii) and (iii) above shall first be satisfied and ending on the date the Untenable Premises shall be rendered usable and Landlord shall have given notice thereof (or the date Tenant shall re-occupy the Untenable Premises for conduct of its business, if earlier). In the event an Untenable Condition shall result from circumstance referred to in Article 22, the reference to "ten (10) consecutive days" and the "eleventh (11th) consecutive day" shall be charged to "twenty (20) consecutive days" and the "twenty-first (21st) day." This subsection N shall be in lieu of any right to which Tenant is otherwise entitled by law to claim a constructive eviction by reason of Landlord's failure to make such repairs, or supply such essential services.

ARTICLE 34

DEFINITIONS

(a) The term Underlying Lease shall mean the Agreement of Lease between The Port Authority of New York and New Jersey as Lessor and Landlord as Lessee dated as of December 31, 1980, a Memorandum of which was recorded in the Office of the Register of the City of New York, County of New York in Reel 550, Page 611, as amended by Supplement #1 dated as of June 30, 1983, a Memorandum of which was recorded in said Register's Office in Reel 836, Page 1648; by Supplement #2 dated as of July 1, 1983, a Memorandum of which was recorded in said Register's Office in Reel 843, Page 309; by Supplement #3 dated as of December 4, 1987, a Memorandum of which was recorded in said Register's Office in Reel 1337, Page 2287; by Supplement #4 dated as of August 28, 1990, a Memorandum of which was recorded in said Register's Office in Reel 1725, Page 1332; by Supplement #5 dated as of June 30, 1991, a Memorandum of which was recorded in said Register's Office in Reel 1946, Page 665; by a Settlement Agreement dated as of April 20, 1984, between Landlord, the Port Authority and the City of New York; and an Amended and Restated Settlement Agreement dated as of June 30, 1991, between Landlord, the Port Authority and the City of New York; and as the same may be hereafter amended.

(b) The term Port Authority shall mean The Port Authority of New York and New Jersey, a body corporate and politic created by compact between the States of New York and New Jersey with the consent of the Congress of the United States of America.

(c) The term Ground Lessor shall mean the Port Authority and any successor thereof which is the owner and holder of the Lessor's interest in the Underlying Lease.

(d) The term Real Property shall mean the Building and the Land and all easements, air rights, development rights and other appurtenances thereto.

ARTICLE 35

LEASE ENTIRE AGREEMENT

This Lease sets forth the entire Agreement between the parties, superseding all prior agreements and understandings, written or oral, and may not be altered or modified except by a writing signed by both parties. This Lease shall be binding upon the parties hereto, their successors, legal representatives and assigns. This Lease shall not be recorded.

ARTICLE 36

APPLICABLE LAW

This Lease shall be governed by and construed in accordance with the internal laws of the State of New York.

IN WITNESS WHEREOF, the said parties have caused this Lease to be executed the
day and year first above written.

Landlord:

7 WORLD TRADE COMPANY, L.P.

By: Silverstein-7 World Trade Company, Inc.,

General Partner

By:

Tenant:

THE CITY OF NEW YORK,

By:

Deputy Commissioner,

Department of Citywide Administrative Services

Approved as to Form:

Acting Corporation Counsel

STATE OF NEW YORK)

SS.:

COUNTY OF)

On this day of , 19 , before me personally came
to me known who, being by me duly sworn, did depose and say that (s)he resides in

that (s)he is

of

the corporation described in and which executed the foregoing instrument, that (s)he knows
the corporate seal of said corporation and the seal affixed to said instrument is such corporate
seal, that it was affixed by order of the Board of Directors of said corporation and that (s)he
signed his name thereto by like order.

STATE OF NEW YORK)

SS.:

COUNTY OF)

On this day of , 19 , before me personally came

to me known and known to me to be a member of the firm of

the firm described in and which executed the foregoing instrument

and said

acknowledged that (s)he executed the foregoing instrument for and in behalf of said firm, as
qualified partner thereof.

STATE OF NEW YORK)

SS.:

COUNTY OF)

On this day of , 19 before me personally came

to me known to be the person described in and who executed the foregoing instrument and
(s)he acknowledged to me that (s)he executed the same.

STATE OF NEW YORK)

SS.:

COUNTY OF)

On this day of , 1996, before me personally came

to me known and known to me to be a partner of the partnership of

the partnership described in and which executed the foregoing instrument and said
acknowledged that (s)he executed the foregoing instrument for and in behalf of said
partnership, as qualified partner thereof.

STATE OF NEW YORK)

SS.:

COUNTY OF NEW YORK)

On this day of , 1997, before me personally came
Lori Fierstein, to me known to be the Deputy Commissioner of Citywide Administrative
Services of the City of New York, the person described in and who executed the foregoing
instrument and she acknowledged to me that she executed the same.

a