

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549
FORM 10-Q

(Mark one)
 QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: March 31, 2014

Or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from: _____ to _____

Commission File Number: 001-6064

ALEXANDER'S, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

51-0100517

(I.R.S. Employer Identification Number)

210 Route 4 East, Paramus, New Jersey

(Address of principal executive offices)

07652

(Zip Code)

(201) 587-8541

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer

Non-Accelerated Filer (Do not check if smaller reporting company)

Accelerated Filer

Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of April 30, 2014, there were 5,106,196 shares of common stock, par value \$1 per share, outstanding.

ALEXANDER'S, INC.

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PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

ALEXANDER'S, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)
(Amounts in thousands, except share and per share amounts)

ASSETS	March 31, 2014	December 31, 2013
Real estate, at cost:		
Land	\$ 44,971	\$ 44,971
Buildings and leasehold improvements	870,630	869,681
Development and construction in progress	6,085	4,924
Total	921,686	919,576
Accumulated depreciation and amortization	(191,526)	(185,375)
Real estate, net	730,160	734,201
Cash and cash equivalents	355,328	347,718
Restricted cash	85,534	90,044
Marketable securities	33,363	31,522
Tenant and other receivables, net of allowance for doubtful accounts of \$1,960 and \$1,993, respectively	2,732	2,925
Receivable arising from the straight-lining of rents	178,042	177,401
Deferred lease and other property costs, net, including unamortized leasing fees to Vornado of \$35,868 and \$36,728, respectively	49,161	50,273
Deferred debt issuance costs, net of accumulated amortization of \$9,243 and \$19,187, respectively	6,844	3,246
Other assets	10,879	20,394
	\$ 1,452,043	\$ 1,457,724
LIABILITIES AND EQUITY		
Mortgages payable	\$ 1,035,022	\$ 1,049,959
Amounts due to Vornado	42,492	43,307
Accounts payable and accrued expenses	37,004	27,450
Other liabilities	3,424	3,427
Total liabilities	1,117,942	1,124,143
Commitments and contingencies		
Preferred stock: \$1.00 par value per share; authorized, 3,000,000 shares; issued and outstanding, none	-	-
Common stock: \$1.00 par value per share; authorized, 10,000,000 shares; issued, 5,173,450 shares; outstanding, 5,106,196 shares	5,173	5,173
Additional capital	29,745	29,745
Retained earnings	296,152	297,515
Accumulated other comprehensive income	3,405	1,522
	334,475	333,955
Treasury stock: 67,254 shares, at cost	(374)	(374)
Total equity	334,101	333,581
	\$ 1,452,043	\$ 1,457,724

See notes to consolidated financial statements (unaudited).

ALEXANDER'S, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)
(Amounts in thousands, except share and per share amounts)

	Three Months Ended March 31,	
	2014	2013
REVENUES		
Property rentals	\$ 34,136	\$ 34,171
Expense reimbursements	15,332	14,604
Total revenues	49,468	48,775
EXPENSES		
Operating, including fees to Vornado of \$1,089 and \$982, respectively	16,490	15,607
Depreciation and amortization	7,261	7,223
General and administrative, including management fees to Vornado of \$595 in each period	1,187	1,017
Total expenses	24,938	23,847
OPERATING INCOME	24,530	24,928
Interest and other income, net	401	385
Interest and debt expense	(9,684)	(11,148)
Income before income taxes	15,247	14,165
Income tax expense	(3)	(3)
Net income	\$ 15,244	\$ 14,162
Net income per common share – basic and diluted	2.98	2.77
Weighted average shares outstanding	5,109,717	5,108,016
Dividends per common share	\$ 3.25	\$ 2.75

See notes to consolidated financial statements (unaudited).

ALEXANDER'S, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)
(Amounts in thousands)

	Three Months Ended	
	March 31,	
	2014	2013
Net income	\$ 15,244	\$ 14,162
Other comprehensive income:		
Change in unrealized net gain on available-for-sale securities	1,841	3,254
Change in value of interest rate cap	42	-
Comprehensive income	<u>\$ 17,127</u>	<u>\$ 17,416</u>

See notes to consolidated financial statements (unaudited).

ALEXANDER'S, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(UNAUDITED)
(Amounts in thousands)

	Common Stock		Additional Capital	Retained Earnings	Accumulated Other Comprehensive Income	Treasury Stock	Total Equity
	Shares	Amount					
Balance, December 31, 2012	5,173	\$ 5,173	\$ 29,352	\$ 296,797	\$ 1,206	\$ (375)	\$ 332,153
Net income	-	-	-	14,162	-	-	14,162
Dividends paid	-	-	-	(14,047)	-	-	(14,047)
Change in unrealized net gain on available-for-sale securities	-	-	-	-	3,254	-	3,254
Balance, March 31, 2013	<u>5,173</u>	<u>\$ 5,173</u>	<u>\$ 29,352</u>	<u>\$ 296,912</u>	<u>\$ 4,460</u>	<u>\$ (375)</u>	<u>\$ 335,522</u>
Balance, December 31, 2013	5,173	\$ 5,173	\$ 29,745	\$ 297,515	\$ 1,522	\$ (374)	\$ 333,581
Net income	-	-	-	15,244	-	-	15,244
Dividends paid	-	-	-	(16,607)	-	-	(16,607)
Change in unrealized net gain on available-for-sale securities	-	-	-	-	1,841	-	1,841
Change in value of interest rate cap	-	-	-	-	42	-	42
Balance, March 31, 2014	<u>5,173</u>	<u>\$ 5,173</u>	<u>\$ 29,745</u>	<u>\$ 296,152</u>	<u>\$ 3,405</u>	<u>\$ (374)</u>	<u>\$ 334,101</u>

See notes to consolidated financial statements (unaudited).

ALEXANDER'S, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(Amounts in thousands)

	Three Months Ended	
	March 31,	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 15,244	\$ 14,162
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization, including amortization of debt issuance costs	7,898	7,821
Straight-lining of rental income	(641)	(949)
Change in operating assets and liabilities:		
Tenant and other receivables, net	193	(424)
Other assets	9,547	9,277
Amounts due to Vornado	(815)	(822)
Accounts payable and accrued expenses	8,888	4,488
Other liabilities	(3)	(1)
Net cash provided by operating activities	<u>40,311</u>	<u>33,552</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Restricted cash	4,510	919
Construction in progress and real estate additions	(1,444)	(1,267)
Net cash provided by (used in) investing activities	<u>3,066</u>	<u>(348)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Debt repayments	(314,937)	(3,963)
Proceeds from borrowing	300,000	-
Dividends paid	(16,607)	(14,047)
Debt issuance costs	(4,223)	(82)
Net cash used in financing activities	<u>(35,767)</u>	<u>(18,092)</u>
Net increase in cash and cash equivalents	7,610	15,112
Cash and cash equivalents at beginning of period	347,718	353,396
Cash and cash equivalents at end of period	<u>\$ 355,328</u>	<u>\$ 368,508</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash payments for interest, excluding capitalized interest of \$30 in 2014	<u>\$ 10,291</u>	<u>\$ 10,472</u>
NON-CASH TRANSACTIONS		
Liability for real estate additions included in accounts payable and accrued expenses	\$ 1,750	\$ 603
Write-off of fully amortized and depreciated assets	10,569	-

See notes to consolidated financial statements (unaudited).

ALEXANDER'S, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. Organization

Alexander's, Inc. (NYSE: ALX) is a real estate investment trust ("REIT"), incorporated in Delaware, engaged in leasing, managing, developing and redeveloping its properties. All references to "we," "us," "our," "Company" and "Alexander's" refer to Alexander's, Inc. and its consolidated subsidiaries. We are managed by, and our properties are leased and developed by, Vornado Realty Trust ("Vornado") (NYSE: VNO).

2. Basis of Presentation

The accompanying consolidated financial statements are unaudited and include the accounts of Alexander's and its consolidated subsidiaries. All intercompany amounts have been eliminated. In our opinion, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations and changes in cash flows have been made. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") have been condensed or omitted. These condensed consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q of the Securities and Exchange Commission (the "SEC") and should be read in conjunction with the consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2013, as filed with the SEC.

We have made estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. The results of operations for the three months ended March 31, 2014 are not necessarily indicative of the operating results for the full year. Certain prior year balances have been reclassified in order to conform to current year presentation.

We currently operate in one business segment.

3. Recently Issued Accounting Literature

In April 2014, the FASB issued an update ("ASU 2014-08") *Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity* to ASC Topic 205, *Presentation of Financial Statements* and ASC Topic 360, *Property Plant and Equipment*. Under ASU 2014-08, only disposals that represent a strategic shift that has (or will have) a major effect on the entity's results and operations would qualify as discontinued operations. In addition, the ASU expands the disclosure requirements for disposals that meet the definition of a discontinued operation and requires entities to disclose information about disposals of individually significant components that do not meet the definition of discontinued operations. ASU 2014-08 is effective for interim and annual reporting periods in fiscal years that begin after December 15, 2014. The adoption of this update on January 1, 2015 is not expected to have any impact on our consolidated financial statements.

ALEXANDER'S, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

4. Relationship with Vornado

At March 31, 2014, Vornado owned 32.4% of our outstanding common stock. We are managed by, and our properties are leased and developed by, Vornado, pursuant to the agreements described below which expire in March of each year and are automatically renewable.

Management and Development Agreements

We pay Vornado an annual management fee equal to the sum of (i) \$2,800,000, (ii) 2% of gross revenue from the Rego Park II shopping center, (iii) \$0.50 per square foot of the tenant-occupied office and retail space at 731 Lexington Avenue and (iv) \$272,000, escalating at 3% per annum, for managing the common area of 731 Lexington Avenue.

In addition, Vornado is entitled to a development fee of 6% of development costs, as defined.

Leasing Agreements

Vornado also provides us with leasing services for a fee of 3% of rent for the first ten years of a lease term, 2% of rent for the eleventh through the twentieth year of a lease term, and 1% of rent for the twenty-first through thirtieth year of a lease term, subject to the payment of rents by tenants. In the event third-party real estate brokers are used, the fees to Vornado increase by 1% and Vornado is responsible for the fees to the third-party real estate brokers. Vornado is also entitled to a commission upon the sale of any of our assets equal to 3% of gross proceeds, as defined, for asset sales less than \$50,000,000 and 1% of gross proceeds, as defined, for asset sales of \$50,000,000 or more. The total of these amounts is payable in annual installments in an amount not to exceed \$4,000,000, with interest on the unpaid balance at one-year LIBOR plus 1.0% (1.58% at March 31, 2014).

Other Agreements

We also have agreements with Building Maintenance Services, a wholly owned subsidiary of Vornado, to supervise (i) cleaning, engineering and security services at our Lexington Avenue property and (ii) security services at our Rego Park I and Rego Park II properties, for an annual fee equal to the cost of such services plus 6%.

The following is a summary of fees to Vornado under the various agreements discussed above.

(Amounts in thousands)	Three Months Ended March 31,			
	2014		2013	
Company management fees	\$	700	\$	700
Leasing fees		178		386
Property management fees and payments for cleaning, engineering and security services		870		795
	\$	1,748	\$	1,881

At March 31, 2014, we owed Vornado \$42,102,000 for leasing fees and \$390,000 for management, property management, cleaning and security fees.

ALEXANDER'S, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

5. Rego Park II Apartment Tower

We have commenced the construction of an apartment tower that will contain approximately 300 units aggregating 250,000 square feet, above our Rego Park II shopping center, which is expected to be completed in 2015. The estimated cost of this project is approximately \$125,000,000, of which \$4,109,000 has been incurred as of March 31, 2014. There can be no assurance that the project will be completed on schedule, or within budget.

6. Marketable Securities

As of March 31, 2014 and December 31, 2013, we owned 535,265 common shares of The Macerich Company ("Macerich") (NYSE: MAC), which were received in connection with the sale of the Kings Plaza Regional Shopping Center to Macerich in November 2012. These shares have an economic cost of \$56.05 per share, or \$30,000,000 in the aggregate. As of March 31, 2014 and December 31, 2013, the fair values of these shares were \$33,363,000 and \$31,522,000, respectively, based on Macerich's closing share price of \$62.33 per share and \$58.89 per share, respectively. These shares are included in "marketable securities" on our consolidated balance sheets and are classified as available-for-sale. Available-for-sale securities are presented at fair value and unrealized gains and losses resulting from the mark-to-market of these securities are included in "other comprehensive income."

7. Significant Tenants

Bloomberg L.P. ("Bloomberg") accounted for \$22,017,000 and \$21,802,000, representing 45% of our total revenues in each of the three-month periods ended March 31, 2014 and 2013, respectively. No other tenant accounted for more than 10% of our total revenues. If we were to lose Bloomberg as a tenant, or if Bloomberg were to fail or become unable to fulfill its obligations under its lease, it would adversely affect our results of operations and financial condition. We receive and evaluate certain confidential financial information and metrics from Bloomberg on a semi-annual basis. In addition, we access and evaluate financial information regarding Bloomberg from private sources, as well as publicly available data.

ALEXANDER'S, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

8. Mortgages Payable

On February 28, 2014, we completed a \$300,000,000 refinancing of the office portion of 731 Lexington Avenue. The interest-only loan is at LIBOR plus 0.95% and matures in March 2017, with four one-year extension options. The proceeds of the new loan and existing cash were used to repay the existing loan and closing costs. In connection therewith, we purchased an interest rate cap with a notional amount of \$300,000,000 that caps LIBOR at a rate of 6.0%.

The following is a summary of our outstanding mortgages payable. We may refinance our maturing debt as it comes due or choose to repay it at maturity.

(Amounts in thousands)	Maturity ⁽¹⁾	Interest Rate at March 31, 2014	Balance at	
			March 31, 2014	December 31, 2013
First mortgages secured by:				
Rego Park I shopping center (100% cash collateralized)	Mar. 2015	0.40 %	\$ 78,246	\$ 78,246
731 Lexington Avenue, retail space ⁽²⁾	Jul. 2015	4.93 %	320,000	320,000
Paramus	Oct. 2018	2.90 %	68,000	68,000
Rego Park II shopping center ⁽³⁾	Nov. 2018	2.00 %	268,776	269,496
731 Lexington Avenue, office space	Mar. 2021	1.11 %	300,000	314,217
			\$ 1,035,022	\$ 1,049,959

- (1) Represents the extended maturity where we have the unilateral right to extend.
(2) This loan is non-recourse to us, except for \$75,000 in the event of a substantial casualty, as defined.
(3) This loan bears interest at LIBOR plus 1.85%.

9. Fair Value Measurements

ASC 820, *Fair Value Measurement and Disclosures* defines fair value and establishes a framework for measuring fair value. ASC 820 establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three levels: Level 1 – quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities; Level 2 – observable prices that are based on inputs not quoted in active markets, but corroborated by market data; and Level 3 – unobservable inputs that are used when little or no market data is available. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. In determining fair value, we utilize valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as consider counterparty credit risk in our assessment of fair value.

Financial Assets and Liabilities Measured at Fair Value

Financial assets measured at fair value on our consolidated balance sheets at March 31, 2014 and December 31, 2013, consist of marketable securities and an interest rate cap, which are presented in the table below, based on their level in the fair value hierarchy. There were no financial liabilities measured at fair value at March 31, 2014 and December 31, 2013.

(Amounts in thousands)	As of March 31, 2014			
	Total	Level 1	Level 2	Level 3
Marketable securities	\$ 33,363	\$ 33,363	\$ -	\$ -
Interest rate cap (included in other assets)	242	-	242	-
Total assets	\$ 33,605	\$ 33,363	\$ 242	\$ -

(Amounts in thousands)	As of December 31, 2013			
	Total	Level 1	Level 2	Level 3
Marketable securities	\$ 31,522	\$ 31,522	\$ -	\$ -

ALEXANDER'S, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

9. Fair Value Measurements – continued

Financial Assets and Liabilities not Measured at Fair Value

Financial assets and liabilities that are not measured at fair value on our consolidated balance sheets include cash equivalents, mortgages payable and leasing commissions due to Vornado. Cash equivalents are carried at cost, which approximates fair value due to their short-term maturities. The fair value of our mortgages payable is calculated by discounting the future contractual cash flows of these instruments using current risk-adjusted rates available to borrowers with similar credit ratings, which are provided by a third-party specialist. The leasing commissions due to Vornado are carried at cost plus interest at variable rates, which approximate fair value. The fair value of cash equivalents is classified as Level 1 and the fair value of mortgages payable and leasing commissions due to Vornado is classified as Level 2. The table below summarizes the carrying amounts and fair value of these financial instruments as of March 31, 2014 and December 31, 2013.

(Amounts in thousands)	As of March 31, 2014		As of December 31, 2013	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Assets:				
Cash equivalents	\$ 341,294	\$ 341,294	\$ 184,796	\$ 184,796
Liabilities:				
Mortgages payable	\$ 1,035,022	\$ 1,055,000	\$ 1,049,959	\$ 1,072,000
Leasing commissions (included in Amounts due to Vornado)	42,102	42,000	42,924	43,000
	\$ 1,077,124	\$ 1,097,000	\$ 1,092,883	\$ 1,115,000

10. Commitments and Contingencies

Insurance

We maintain general liability insurance with limits of \$300,000,000 per occurrence and all-risk property and rental value insurance coverage with limits of \$1.7 billion per occurrence, including coverage for acts of terrorism, with sub-limits for certain perils such as floods and earthquakes on each of our properties.

Fifty Ninth Street Insurance Company, LLC ("FNSIC"), our wholly owned consolidated subsidiary, acts as a direct insurer for coverage for acts of terrorism, including nuclear, biological, chemical and radiological ("NBCR") acts, as defined by the Terrorism Risk Insurance Program Reauthorization Act of 2007, which expires in December 2014. Coverage for acts of terrorism (including NBCR acts) is up to \$1.7 billion per occurrence and in the aggregate. Coverage for acts of terrorism (excluding NBCR acts) is fully reinsured by third party insurance companies with no exposure to FNSIC. For NBCR acts, FNSIC is responsible for a \$275,000 deductible and 15% of the balance of a covered loss and the Federal government is responsible for the remaining 85% of a covered loss. We are ultimately responsible for any loss incurred by FNSIC.

We continue to monitor the state of the insurance market and the scope and costs of coverage for acts of terrorism. However, we cannot anticipate what coverage will be available on commercially reasonable terms in the future. We are responsible for deductibles and losses in excess of our insurance coverage, which could be material.

Our mortgage loans are non-recourse to us, except for \$75,000,000 of the \$320,000,000 mortgage on our 731 Lexington Avenue property, in the event of a substantial casualty, as defined. Our mortgage loans contain customary covenants requiring us to maintain insurance. Although we believe that we have adequate insurance coverage for purposes of these agreements, we may not be able to obtain an equivalent amount of coverage at reasonable costs in the future. If lenders insist on greater coverage than we are able to obtain, it could adversely affect our ability to finance our properties.

ALEXANDER'S, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

10. Commitments and Contingencies – continued

Flushing Property

In 2002, Flushing Expo, Inc. (“Expo”) agreed to purchase the stock of the entity which owns the Flushing property from us (“Purchase of the Property”) and gave us a non-refundable deposit of \$1,875,000. Pursuant to a stipulation of settlement, we settled the action Expo brought against us regarding the Purchase of the Property and in June 2011, deposited the settlement amount with the Court, in exchange for which we received a stipulation of discontinuance, with prejudice, as well as general releases. In November 2011, Expo filed another action, this time against our tenant at the Flushing property asserting, among other things, that such tenant interfered with Expo’s Purchase of the Property from us and sought \$50,000,000 in damages from our tenant, who sought indemnification from us for such amount. In August 2012, the Court entered judgment denying Expo’s claim for damages. Expo filed a motion to re-argue the decision, which the Court denied on December 7, 2012. Expo appealed the Court’s August 2012 decision, which the Court denied on April 16, 2014.

Paramus

In 2001, we leased 30.3 acres of land located in Paramus, New Jersey to IKEA Property, Inc. The lease has a purchase option in 2021 for \$75,000,000. The property is encumbered by a \$68,000,000 interest-only mortgage loan with a fixed rate of 2.90%, which matures in October 2018. The annual triple-net rent is the sum of \$700,000 plus the amount of debt service on the mortgage loan. If the purchase option is exercised, we will receive net cash proceeds of approximately \$7,000,000 and recognize a gain on sale of land of approximately \$60,000,000. If the purchase option is not exercised, the triple-net rent for the last 20 years would include debt service sufficient to fully amortize \$68,000,000 over the remaining 20-year lease term.

Letters of Credit

Approximately \$3,308,000 of standby letters of credit were outstanding as of March 31, 2014.

Other

There are various other legal actions against us in the ordinary course of business. In our opinion, the outcome of such matters in the aggregate will not have a material effect on our financial condition, results of operations or cash flows.

11. Earnings Per Share

The following table sets forth the computation of basic and diluted income per share, including a reconciliation of net income and the number of shares used in computing basic and diluted income per share. Basic income per share is determined using the weighted average shares of common stock (including DSUs) outstanding during the period. Diluted income per share is determined using the weighted average shares of common stock (including DSUs) outstanding during the period, and assumes all potentially dilutive securities were converted into common shares at the earliest date possible. There were no potentially dilutive securities outstanding during the three months ended March 31, 2014 and 2013.

(Amounts in thousands, except share and per share amounts)	Three Months Ended March 31,	
	2014	2013
Net income	\$ 15,244	\$ 14,162
Weighted average shares outstanding – basic and diluted	5,109,717	5,108,016
Net income per common share – basic and diluted	\$ 2.98	\$ 2.77

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Alexander's, Inc.
Paramus, New Jersey

We have reviewed the accompanying consolidated balance sheet of Alexander's, Inc. and subsidiaries (the "Company") as of March 31, 2014, and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the three-month periods ended March 31, 2014 and 2013. These interim financial statements are the responsibility of the Company's management.

We conducted our reviews in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to such consolidated interim financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of Alexander's, Inc. and subsidiaries as of December 31, 2013, and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended (not presented herein); and in our report dated February 24, 2014, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 31, 2013 is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

/s/ DELOITTE & TOUCHE LLP

Parsippany, New Jersey
May 5, 2014

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Certain statements contained in this Quarterly Report constitute forward-looking statements as such term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are not guarantees of future performance. They involve risks, uncertainties and assumptions. Our future results, financial condition, results of operations and business may differ materially from those expressed in these forward-looking statements. You can find many of these statements by looking for words such as "approximates," "believes," "expects," "anticipates," "estimates," "intends," "plans," "would," "may" or other similar expressions in this Quarterly Report on Form 10-Q. These forward-looking statements represent our intentions, plans, expectations and beliefs and are subject to numerous assumptions, risks and uncertainties. Many of the factors that will determine these items are beyond our ability to control or predict. For a further discussion of factors that could materially affect the outcome of our forward-looking statements, see "Item 1A - Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2013. For these statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this Quarterly Report on Form 10-Q or the date of any document incorporated by reference. All subsequent written and oral forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. We do not undertake any obligation to release publicly, any revisions to our forward-looking statements to reflect events or circumstances after the date of this Quarterly Report on Form 10-Q.

Management's Discussion and Analysis of Financial Condition and Results of Operations include a discussion of our consolidated financial statements for the three months ended March 31, 2014 and 2013. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. The results of operations for the three months ended March 31, 2014 are not necessarily indicative of the operating results for the full year. Certain prior year balances have been reclassified in order to conform to current year presentation.

Critical Accounting Policies

A summary of our critical accounting policies is included in our Annual Report on Form 10-K for the year ended December 31, 2013 in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Note 2 - Summary of Significant Accounting Policies" to the consolidated financial statements included therein. There have been no significant changes to these policies during 2014.

Overview

Alexander's, Inc. (NYSE: ALX) is a real estate investment trust ("REIT"), incorporated in Delaware, engaged in leasing, managing, developing and redeveloping its properties. All references to "we," "us," "our," "Company," and "Alexander's", refer to Alexander's, Inc. and its consolidated subsidiaries. We are managed by, and our properties are leased and developed by, Vornado Realty Trust ("Vornado") (NYSE: VNO). We have six properties in the greater New York City metropolitan area.

We compete with a large number of property owners and developers. Our success depends upon, among other factors, trends of national and local economies, the financial condition and operating results of current and prospective tenants, the availability and cost of capital, interest rates, construction and renovation costs, taxes, governmental regulations and legislation, population trends, zoning laws, and our ability to lease, sublease or sell our properties, at profitable levels. Our success is also subject to our ability to refinance existing debt on acceptable terms as it comes due.

Quarter Ended March 31, 2014 Financial Results Summary

Net income for the quarter ended March 31, 2014 was \$15,244,000, or \$2.98 per diluted share, compared to \$14,162,000, or \$2.77 per diluted share for the quarter ended March 31, 2013. Funds from operations ("FFO") for the quarter ended March 31, 2014 was \$22,474,000, or \$4.40 per diluted share, compared to \$21,339,000, or \$4.18 per diluted share for the prior year's quarter.

Square Footage and Occupancy

As of March 31, 2014 and December 31, 2013, our portfolio was comprised of six properties aggregating 2,178,000 square feet that had an occupancy rate of 99.4%.

Financing

On February 28, 2014, we completed a \$300,000,000 refinancing of the office portion of 731 Lexington Avenue. The interest-only loan is at LIBOR plus 0.95% (1.11% at March 31, 2014) and matures in March 2017, with four one-year extension options. The proceeds of the new loan and existing cash were used to repay the existing \$312,000,000 5.33% fixed-rate loan and closing costs. In connection therewith, we purchased an interest rate cap with a notional amount of \$300,000,000 that caps LIBOR at a rate of 6.0%.

Significant Tenants

Bloomberg L.P. ("Bloomberg") accounted for \$22,017,000 and \$21,802,000, representing 45% of our total revenues in each of the three-month periods ended March 31, 2014 and 2013, respectively. No other tenant accounted for more than 10% of our total revenues. If we were to lose Bloomberg as a tenant, or if Bloomberg were to fail or become unable to fulfill its obligations under its lease, it would adversely affect our results of operations and financial condition. We receive and evaluate certain confidential financial information and metrics from Bloomberg on a semi-annual basis. In addition, we access and evaluate financial information regarding Bloomberg from private sources, as well as publicly available data.

Results of Operations – Three Months Ended March 31, 2014, compared to March 31, 2013

Property Rentals

Property rentals were \$34,136,000 in the quarter ended March 31, 2014, compared to \$34,171,000 in the prior year's quarter, a decrease of \$35,000.

Expense Reimbursements

Tenant expense reimbursements were \$15,332,000 in the quarter ended March 31, 2014, compared to \$14,604,000 in the prior year's quarter, an increase of \$728,000. This increase was primarily due to higher real estate taxes.

Operating Expenses

Operating expenses were \$16,490,000 in the quarter ended March 31, 2014, compared to \$15,607,000 in the prior year's quarter, an increase of \$883,000. This increase was primarily due to higher real estate taxes.

Depreciation and Amortization

Depreciation and amortization was \$7,261,000 in the quarter ended March 31, 2014, compared to \$7,223,000 in the prior year's quarter, an increase of \$38,000.

General and Administrative Expenses

General and administrative expenses were \$1,187,000 in the quarter ended March 31, 2014, compared to \$1,017,000 in the prior year's quarter, an increase of \$170,000. This increase was primarily due to higher professional fees.

Interest and Other Income, net

Interest and other income, net was \$401,000 in the quarter ended March 31, 2014, compared to \$385,000 in the prior year's quarter, an increase of \$16,000.

Interest and Debt Expense

Interest and debt expense was \$9,684,000 in the quarter ended March 31, 2014, compared to \$11,148,000 in the prior year's quarter, a decrease of \$1,464,000. This decrease was primarily due to savings resulting from the refinancing of the office portion of 731 Lexington Avenue on February 28, 2014.

Income Tax Expense

Income tax expense was \$3,000 in each of the quarters ended March 31, 2014 and 2013.

Liquidity and Capital Resources

Cash Flows

Property rental income is our primary source of cash flow and is dependent on a number of factors including the occupancy level and rental rates of our properties, as well as our tenants' ability to pay their rents. Our properties provide us with a relatively consistent stream of cash flow that enables us to pay our operating expenses, interest expense, recurring capital expenditures and cash dividends to stockholders. Other sources of liquidity to fund cash requirements include our existing cash, proceeds from financings, including mortgage or construction loans secured by our properties and proceeds from asset sales. We anticipate that cash flows from continuing operations over the next twelve months, together with existing cash balances, will be adequate to fund our business operations, cash dividends to stockholders, debt amortization, recurring capital expenditures and development expenditures related to the Rego Park II apartment tower.

We have no debt maturing in 2014. In 2015, \$398,246,000 of our debt, of which \$78,246,000 is cash collateralized, is scheduled to mature. We may refinance our maturing debt as it comes due or choose to repay it at maturity.

Development Project

We have commenced the construction of an apartment tower that will contain approximately 300 units aggregating 250,000 square feet, above our Rego Park II shopping center, which is expected to be completed in 2015. The estimated cost of this project is approximately \$125,000,000, of which \$4,109,000 has been incurred as of March 31, 2014. There can be no assurance that the project will be completed on schedule, or within budget.

Three Months Ended March 31, 2014

Cash and cash equivalents were \$355,328,000 at March 31, 2014, compared to \$347,718,000 at December 31, 2013, an increase of \$7,610,000. This increase resulted from \$40,311,000 of net cash provided by operating activities and \$3,066,000 of net cash provided by investing activities, partially offset by \$35,767,000 of net cash used in financing activities.

Net cash provided by operating activities of \$40,311,000 was comprised of net income of \$15,244,000, adjustments for non-cash items of \$7,257,000 and the net change in operating assets and liabilities of \$17,810,000. The adjustments for non-cash items were comprised of depreciation and amortization of \$7,898,000, partially offset by the straight-lining of rental income of \$641,000.

Net cash provided by investing activities of \$3,066,000 was comprised of a decrease in restricted cash of \$4,510,000, partially offset by capital expenditures of \$1,444,000 (primarily Rego Park II apartment tower).

Net cash used in financing activities of \$35,767,000 was primarily comprised of (i) debt repayments of \$314,937,000 (primarily repayment of the loan on the office portion of 731 Lexington Avenue) and (ii) dividends paid on common stock of \$16,607,000, partially offset by (iii) \$300,000,000 of proceeds from the refinancing of the office portion of 731 Lexington Avenue.

Three Months Ended March 31, 2013

Cash and cash equivalents were \$368,508,000 at March 31, 2013, compared to \$353,396,000 at December 31, 2012, an increase of \$15,112,000. This increase resulted from \$33,552,000 of net cash provided by operating activities, partially offset by \$18,092,000 of net cash used in financing activities and \$348,000 of net cash used in investing activities.

Net cash provided by operating activities of \$33,552,000 was comprised of net income of \$14,162,000, the net change in operating assets and liabilities of \$12,518,000 and adjustments for non-cash items of \$6,872,000. The net change in operating assets and liabilities was primarily due to amortization of prepaid real estate taxes of \$8,478,000. The adjustments for non-cash items were comprised of depreciation and amortization of \$7,821,000, partially offset by straight-lining of rental income of \$949,000.

Net cash used in investing activities of \$348,000 was comprised of capital expenditures of \$1,267,000 (primarily Rego Park II), partially offset by a decrease in restricted cash of \$919,000.

Net cash used in financing activities of \$18,092,000 was primarily comprised of dividends paid on common stock of \$14,047,000 and debt repayments of \$3,963,000.

Liquidity and Capital Resources – continued

Commitments and Contingencies

Insurance

We maintain general liability insurance with limits of \$300,000,000 per occurrence and all-risk property and rental value insurance coverage with limits of \$1.7 billion per occurrence, including coverage for acts of terrorism, with sub-limits for certain perils such as floods and earthquakes on each of our properties.

Fifty Ninth Street Insurance Company, LLC (“FNSIC”), our wholly owned consolidated subsidiary, acts as a direct insurer for coverage for acts of terrorism, including nuclear, biological, chemical and radiological (“NBCR”) acts, as defined by the Terrorism Risk Insurance Program Reauthorization Act of 2007, which expires in December 2014. Coverage for acts of terrorism (including NBCR acts) is up to \$1.7 billion per occurrence and in the aggregate. Coverage for acts of terrorism (excluding NBCR acts) is fully reinsured by third party insurance companies with no exposure to FNSIC. For NBCR acts, FNSIC is responsible for a \$275,000 deductible and 15% of the balance of a covered loss and the Federal government is responsible for the remaining 85% of a covered loss. We are ultimately responsible for any loss incurred by FNSIC.

We continue to monitor the state of the insurance market and the scope and costs of coverage for acts of terrorism. However, we cannot anticipate what coverage will be available on commercially reasonable terms in the future. We are responsible for deductibles and losses in excess of our insurance coverage, which could be material.

Our mortgage loans are non-recourse to us, except for \$75,000,000 of the \$320,000,000 mortgage on our 731 Lexington Avenue property, in the event of a substantial casualty, as defined. Our mortgage loans contain customary covenants requiring us to maintain insurance. Although we believe that we have adequate insurance coverage for purposes of these agreements, we may not be able to obtain an equivalent amount of coverage at reasonable costs in the future. If lenders insist on greater coverage than we are able to obtain, it could adversely affect our ability to finance our properties.

Flushing Property

In 2002, Flushing Expo, Inc. (“Expo”) agreed to purchase the stock of the entity which owns the Flushing property from us (“Purchase of the Property”) and gave us a non-refundable deposit of \$1,875,000. Pursuant to a stipulation of settlement, we settled the action Expo brought against us regarding the Purchase of the Property and in June 2011, deposited the settlement amount with the Court, in exchange for which we received a stipulation of discontinuance, with prejudice, as well as general releases. In November 2011, Expo filed another action, this time against our tenant at the Flushing property asserting, among other things, that such tenant interfered with Expo’s Purchase of the Property from us and sought \$50,000,000 in damages from our tenant, who sought indemnification from us for such amount. In August 2012, the Court entered judgment denying Expo’s claim for damages. Expo filed a motion to re-argue the decision, which the Court denied on December 7, 2012. Expo appealed the Court’s August 2012 decision, which the Court denied on April 16, 2014.

Paramus

In 2001, we leased 30.3 acres of land located in Paramus, New Jersey to IKEA Property, Inc. The lease has a purchase option in 2021 for \$75,000,000. The property is encumbered by a \$68,000,000 interest-only mortgage loan with a fixed rate of 2.90%, which matures in October 2018. The annual triple-net rent is the sum of \$700,000 plus the amount of debt service on the mortgage loan. If the purchase option is exercised, we will receive net cash proceeds of approximately \$7,000,000 and recognize a gain on sale of land of approximately \$60,000,000. If the purchase option is not exercised, the triple-net rent for the last 20 years would include debt service sufficient to fully amortize \$68,000,000 over the remaining 20-year lease term.

Letters of Credit

Approximately \$3,308,000 of standby letters of credit were outstanding as of March 31, 2014.

Other

There are various other legal actions against us in the ordinary course of business. In our opinion, the outcome of such matters in the aggregate will not have a material effect on our financial condition, results of operations or cash flows.

Funds from Operations (“FFO”)

FFO is computed in accordance with the definition adopted by the Board of Governors of the National Association of Real Estate Investment Trusts (“NAREIT”). NAREIT defines FFO as GAAP net income or loss adjusted to exclude net gains from sales of depreciated real estate assets, real estate impairment losses, depreciation and amortization expense from real estate assets, extraordinary items and other specified non-cash items, including the pro rata share of such adjustments of unconsolidated subsidiaries. FFO and FFO per diluted share are used by management, investors and analysts to facilitate meaningful comparisons of operating performance between periods and among our peers because it excludes the effect of real estate depreciation and amortization and net gains on sales, which are based on historical costs and implicitly assume that the value of real estate diminishes predictably over time, rather than fluctuating based on existing market conditions. FFO does not represent cash generated from operating activities and is not necessarily indicative of cash available to fund cash requirements and should not be considered as an alternative to net income as a performance measure or cash flow as a liquidity measure. FFO may not be comparable to similarly titled measures employed by other companies. A reconciliation of our net income to FFO is provided below.

FFO for the Quarters Ended March 31, 2014 and 2013

FFO for the quarter ended March 31, 2014 was \$22,474,000, or \$4.40 per diluted share, compared to \$21,339,000, or \$4.18 per diluted share for prior year’s quarter.

The following table reconciles our net income to FFO:

	Three Months Ended	
	March 31,	
(Amounts in thousands, except share and per share amounts)	2014	2013
Net income	\$ 15,244	\$ 14,162
Depreciation and amortization of real property	7,230	7,177
FFO	\$ 22,474	\$ 21,339
FFO per diluted share	\$ 4.40	\$ 4.18
Weighted average shares used in computing FFO per diluted share	5,109,717	5,108,016

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We have exposure to fluctuations in interest rates, which are sensitive to many factors that are beyond our control. Our exposure to a change in interest rates is summarized in the table below.

(Amounts in thousands, except per share amounts)	2014			2013	
	March 31, Balance	Weighted Average Interest Rate	Effect of 1% Change in Base Rates	December 31, Balance	Weighted Average Interest Rate
Variable Rate (including \$42,102 and \$42,924 due to Vornado, respectively)	\$ 610,878	1.53%	\$ 6,109	\$ 312,420	2.00%
Fixed Rate	466,246	3.87%	-	780,463	4.46%
	\$ <u>1,077,124</u>		\$ <u>6,109</u>	\$ <u>1,092,883</u>	
Total effect on diluted earnings per share			\$ <u>1.20</u>		

As of March 31, 2014, we have an interest rate cap with a notional amount of \$300,000,000 that caps LIBOR at a rate of 6.0%.

Fair Value of Debt

The fair value of our consolidated debt is calculated by discounting the future contractual cash flows of these instruments using current risk-adjusted rates available to borrowers with similar credit ratings, which are provided by a third-party specialist. As of March 31, 2014 and December 31, 2013, the estimated fair value of our consolidated debt was \$1,097,000,000 and \$1,115,000,000, respectively. Our fair value estimates, which are made at the end of the reporting period, may be different from the amounts that may ultimately be realized upon the disposition of our financial instruments.

Item 4. Controls and Procedures

(a) Disclosure Controls and Procedures: Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, our disclosure controls and procedures are effective.

(b) Internal Control Over Financial Reporting: There have not been any changes in our internal control over financial reporting during the fiscal quarter to which this Quarterly Report on Form 10-Q relates that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

We are from time to time involved in legal actions arising in the ordinary course of business. In our opinion, the outcome of such matters in the aggregate will not have a material effect on our financial condition, results of operations or cash flows.

Item 1A. Risk Factors

There have been no material changes in our "Risk Factors" as previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2013.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibits required by Item 601 of Regulation S-K are filed herewith and are listed in the attached Exhibit Index.

SIGNATURES

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

ALEXANDER'S, INC.
(Registrant)

Date: May 5, 2014

By:

/s/ Joseph Macnow

Joseph Macnow, Executive Vice President and
Chief Financial Officer (duly authorized officer and
principal financial and accounting officer)

EXHIBIT INDEX

<u>Exhibit No.</u>	
10.1	- Loan Agreement, dated as of February 28, 2014, by and between 731 Office One LLC, as Borrower, and German American Capital Corporation, as Lender
10.2	- Consolidated, Amended and Restated Promissory Note, dated as of February 28, 2014, by and between 731 Office One LLC, as Borrower, and German American Capital Corporation, as Lender
10.3	- Amended and Restated Mortgage, Assignment of Leases and Rents and Security Agreement, dated as of February 28, 2014, by and between 731 Office One LLC, as Mortgagor, and German American Capital Corporation, as Mortgagee
10.4	- Assignment of Leases and Rents dated as of February 28, 2014, by and between 731 Office One LLC, as Assignor, and German American Capital Corporation, as Assignee
10.5	- Guaranty of Recourse Obligations dated as of February 28, 2014, by and between Alexander's, Inc., as Guarantor, and German American Capital Corporation, as Lender
10.6	- Environmental Indemnity Agreement dated as of February 28, 2014, by and between 731 Office One LLC, as Indemnitor, and German American Capital Corporation, as Indemnitee
10.7	- Termination Agreement dated as of February 28, 2014, by and among 731 Office One LLC, Alexander's Management LLC, Vornado Realty L.P., 731 Office Two LLC, 731 Residential LLC, 731 Commercial LLC, 731 Retail One LLC and 731 Restaurant LLC
10.8	- Real Estate Sub-Retention Agreement dated as of February 28, 2014, by and between Alexander's Management LLC, as Agent, and Vornado Realty L.P., as Sub-Agent
10.9	- Sixth Amendment to Amended and Restated Management and Development Agreement, dated as of March 21, 2014, by and between Alexander's, Inc., the subsidiaries party thereto and Vornado Management Corp
10.10	- Rego Park II Residential Management and Development Agreement, dated as of March 21, 2014 by and between Alexander's of Rego Residential LLC and Vornado Management Corp
15.1	- Letter regarding unaudited interim financial information
31.1	- Rule 13a-14 (a) Certification of the Chief Executive Officer
31.2	- Rule 13a-14 (a) Certification of the Chief Financial Officer
32.1	- Section 1350 Certification of the Chief Executive Officer
32.2	- Section 1350 Certification of the Chief Financial Officer

- 101.INS - XBRL Instance Document
- 101.SCH - XBRL Taxonomy Extension Schema
- 101.CAL - XBRL Taxonomy Extension Calculation Linkbase
- 101.DEF - XBRL Taxonomy Extension Definition Linkbase
- 101.LAB - XBRL Taxonomy Extension Label Linkbase
- 101.PRE - XBRL Taxonomy Extension Presentation Linkbase

LOAN AGREEMENT

dated as of February 28, 2014

between

731 OFFICE ONE LLC,

as Borrower

and

GERMAN AMERICAN CAPITAL CORPORATION,

as Lender

PROPERTY: OFFICE UNIT 1 AND OFFICE UNIT 2, BEACON COURT CONDOMINIUM, 731 LEXINGTON AVENUE, NEW YORK, NEW YORK

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LOAN AGREEMENT

This LOAN AGREEMENT, dated as of February 28, 2014 (as amended, restated, replaced, supplemented or otherwise modified from time to time, this "*Agreement*"), between GERMAN AMERICAN CAPITAL CORPORATION, a Maryland corporation, having an address at 60 Wall Street, 10th Floor, New York, New York 10005 (together with its permitted successors and assigns, "*Lender*"), and 731 OFFICE ONE LLC, a Delaware limited liability company, having an address at c/o Alexander's, Inc., 210 Route 4 East, Paramus, New Jersey 07652 (together with its permitted successors and assigns, "*Borrower*").

All capitalized terms used herein shall have the respective meanings set forth in Article 1 hereof.

WITNESSETH:

WHEREAS, Borrower desires to obtain the Loan from Lender; and

WHEREAS, Lender is willing to make the Loan to Borrower, subject to and in accordance with the terms and conditions of this Agreement and the other Loan Documents.

NOW, THEREFORE, in consideration of the covenants set forth in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree, represent and warrant as follows:

I.

DEFINITIONS; PRINCIPLES OF CONSTRUCTION

Section 1.1. Specific Definitions.

For all purposes of this Agreement, except as otherwise expressly provided:

"*Acceptable Leasing Expenses*" shall mean actual out-of-pocket expenses (including brokerage commissions and tenant allowances and improvements) incurred by Borrower in leasing space at the Property pursuant to Leases entered into in accordance with the Loan Documents, which expenses are in each case on market terms and conditions or on such other terms and conditions as are approved by Lender, which approval shall not be unreasonably withheld.

"*Acknowledgment*" shall mean (i) with respect to the initial Interest Rate Cap Agreement, the Acknowledgment, dated on or about the date hereof made by Counterparty and (ii) with respect to any Replacement Interest Rate Cap Agreement, the Acknowledgment made by an Approved Counterparty, which Acknowledgment shall be in substantially the same form as the Acknowledgment delivered by Counterparty in connection with the initial Interest Rate Cap Agreement or shall otherwise be in form and substance reasonably acceptable to Lender.

"*Affiliate*" shall mean, as to any Person, any other Person that (i) owns directly or indirectly fifty percent (50%) or more of all equity interests in such Person, and/or (ii) is in Control of, is Controlled by or is under common ownership or Control with such Person.

“**ALTA**” shall mean American Land Title Association, or any successor thereto.

“**Alteration Deficiency Guaranty**” shall mean a guaranty (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time) in favor of Lender pursuant to the terms and provisions of Section 4.12.2 of this Agreement, which shall be substantially in the form attached hereto as Exhibit C and shall be executed and delivered by a Qualified Guarantor.

“**Alteration Threshold**” shall mean five percent (5%) of the Outstanding Principal Balance; provided, however, that the list of any alterations performed which are detailed in the proviso to the definition of Material Alteration shall not be included in determining whether an alteration exceeds the Alteration Threshold.

“**ALX**” means Alexander’s, Inc., a Delaware corporation, and its permitted successors by merger, consolidation or transfer of all or substantially all of the assets of Alexander’s, Inc., subject to any applicable terms, covenants and/or conditions of this Agreement.

“**ALX Ownership Condition**” shall mean one or more of (i) VRLP, (ii) VRT, (iii) one or more Interstate Parties and/or (iv) one or more Eligible Qualified Owners owns (beneficially and economically) and controls not less than twenty-five percent (25%) of the shares outstanding in ALX.

“**Annual Budget**” shall mean the operating and capital budget for the Property setting forth, on a month-by-month basis, in reasonable detail, each line item of Borrower’s good faith estimate of anticipated Operating Income, Operating Expenses and Capital Expenditures for the applicable Fiscal Year.

“**Approved Capital Expenditures**” shall mean Capital Expenditures incurred by Borrower and either (i) included in the Approved Annual Budget or (ii) approved by Lender, which approval shall not be unreasonably withheld or delayed.

“**Approved Counterparty**” shall mean a bank or other financial institution which has (a) a long-term unsecured debt rating of “A+” or higher by S&P, (b) a long-term unsecured debt rating of “A1” or higher by Moody’s and (c) if rated by Fitch, a long-term unsecured debt rating of “A+” or higher by Fitch (collectively, the “**Required Ratings**”); provided, however, SMBC Capital Markets, Inc. (“**SMBC**”) shall be an Approved Counterparty provided that (i) Sumitomo Mitsui Banking Corporation (“**Sumitomo**”) guaranties the obligations of SMBC under the applicable Interest Rate Cap Agreement or Replacement Interest Rate Cap Agreement pursuant to a guaranty reasonably acceptable to Lender and acceptable to the Rating Agencies, and (ii) Sumitomo has not been downgraded below the lower of (x) the Required Ratings and (y) the long-term unsecured debt rating issued for Sumitomo by S&P, Moody’s or Fitch as of the Closing Date or the short-term rating issued for Sumitomo by S&P, Moody’s or Fitch as of the Closing Date.

“**Approved Replacement Guarantor**” shall mean an Eligible Qualified Owner that (i) either alone or with other Eligible Qualified Owners, Controls Borrower (or Transferee, as applicable) or (ii) owns a direct or indirect interest in Borrower (or Transferee, as applicable), in each case, subject to the Net Worth requirements specified in Section 7.1(b) or Section 7.2, as applicable.

“**Assignment of Agreements**” shall mean that certain Collateral Assignment of Agreements, Licenses, Permits and Contracts, dated as of the date hereof, from Borrower, as assignor, to Lender, as assignee.

“**Assignment of Leases**” shall mean that certain first priority Assignment of Leases and Rents, dated as of the date hereof, from Borrower, as assignor, to Lender, as assignee.

“**Assignment of Leasing Agreement**” shall mean that certain Assignment of Leasing Agreement and Subordination of Commission Fees, dated as of the date hereof, among Borrower, Alexander’s Management LLC, a New York limited liability company, and Lender.

“**Assignment of Management Agreement**” shall mean that certain Assignment of Management Agreement and Subordination of Management Fees, dated as of the date hereof, among Borrower, Manager and Lender.

“**Assumed Note Rate**” shall mean an interest rate equal to the sum of 1%, plus the Spread plus LIBOR as determined on the preceding Interest Determination Date.

“**Award**” shall mean any compensation paid by any Governmental Authority in connection with a Condemnation in respect to all or any part of the Property.

“**Bankruptcy Code**” shall mean Title 11 of the United States Code entitled “Bankruptcy”, as amended from time to time, and any successor statute or statutes and all rules and regulations from time to time promulgated thereunder.

“**Bloomberg**” shall mean Bloomberg L.P., a Delaware limited partnership, or any successor Tenant under the Bloomberg Lease in accordance with the terms hereof.

“**Bloomberg Lease**” shall mean, individually and collectively (as the context requires) (i) the Original Bloomberg Lease, (ii) that certain Lease between Borrower, as landlord, and Metrovest Equities, Inc., at tenant, dated as of May 17, 2004, and assigned to and assumed by Bloomberg pursuant to that certain Assignment and Assumption and Consent Agreement dated as of May 19, 2009 among Borrower, Metrovest Equities, Inc. and Bloomberg, as the same may be amended, supplemented or otherwise modified from time in accordance with this Agreement (the “**Bloomberg Metrovest Lease**”), and (iii) that certain Lease between Borrower, as landlord, and Citicorp North America, Inc. (as successor-in-interest to Citibank, N.A.), as tenant, dated as of February 1, 2005, and assigned to and assumed by Bloomberg pursuant to that certain Assignment and Assumption and Consent Agreement dated as of March 25, 2009 among Borrower, Citicorp North America, Inc. and Bloomberg, as the same may be amended, supplemented or otherwise modified from time in accordance with this Agreement (the “**Bloomberg Citibank Lease**”).

“**Borrower Affiliate**” shall mean (i) any Affiliate of Borrower, (ii) VRLP, VRT or any Affiliate of VRLP or VRT, so long as, in each case, VRLP, VRT or any Affiliate of VRLP or VRT owns directly or indirectly ten percent (10%) or more of the direct or indirect ownership interests in Guarantor, and/or (iii) any director or officer of Borrower or of a Borrower Affiliate.

“**Business Day**” shall mean any day other than (i) a Saturday and a Sunday and (ii) a day on which federally insured depository institutions in the State of New York or the states in which

the corporate trust office of Lender's trustee or certificate administrator and the offices of Lender, its Servicer or its Servicer's collection account are located are authorized or obligated by law, governmental decree or executive order to be closed.

"**Bylaws**" shall mean the Bylaws of the Beacon Court Condominium as in effect on the date hereof (together with any amendments or supplements thereto, subject to terms, covenants and/or conditions of this Agreement).

"**Calculation Date**" shall mean the last day of each calendar quarter during the Term.

"**Capital Expenditures**" for any period shall mean amounts expended for replacements and alterations to the Property (excluding tenant improvements) and required to be capitalized according to GAAP.

"**Cash Management Agreement**" shall mean that certain Deposit Account Agreement of even date herewith among Lender, Deposit Bank, Borrower, and Manager.

"**Clearing Account Agreement**" shall mean that certain Deposit Account Control Agreement dated the date hereof by and among Borrower, Lender, Manager and the Clearing Bank.

"**Clearing Bank**" means Wells Fargo Bank, National Association, or such other Eligible Institution as may be selected by Borrower and reasonably approved by Lender.

"**Closing Date**" shall mean the date of the funding of the Loan.

"**Code**" shall mean the Internal Revenue Code of 1986, as amended, and as it may be further amended from time to time, any successor statutes thereto, and applicable U.S. Department of Treasury regulations issued pursuant thereto in temporary or final form.

"**Common Elements**" shall mean the "Common Elements" as defined in the Condominium Declaration.

"**Common Expenses**" shall mean all common expenses of the Condominium incurred pursuant to the Condominium Documents (including, for the avoidance of doubt, common expenses incurred pursuant to the Condominium Declaration).

"**Condemnation**" shall mean a temporary or permanent taking by any Governmental Authority as the result or in lieu or in anticipation of the exercise of the right of condemnation or eminent domain, of all or any part of the Property, or any interest therein or right accruing thereto, including any right of access thereto or any change of grade affecting the Property or any part thereof.

"**Condominium**" shall mean the condominium regime created under, and governed by, the Condominium Documents.

"**Condominium Act**" shall mean the provisions of Article 9-B of the Real Property Law of the State of New York, as the same may be amended from time to time.

"**Condominium Board**" shall mean (i) the organization managing the Condominium by

virtue of the Condominium Act and the Condominium Documents on behalf of all the owners of the Units comprising the Condominium and (ii) the organization managing Office Unit 1 (as such term is defined in the Condominium Declaration) and Office Unit 2 (as such term is defined in the Condominium Declaration) by virtue of the Condominium Act and the Condominium Documents on behalf of all the owners of the Office Units (as such term is defined in the Condominium Declaration).

“**Condominium Common Charges**” shall mean the share of Common Expenses payable by Borrower as owner of the Property or any portion thereof under the Condominium Documents.

“**Condominium Declaration**” shall mean that certain Amended and Restated Declaration of Beacon Court Condominium made under the Condominium Act, dated February 8, 2005 and recorded on March 9, 2005, in the Office of the Register, The City of New York, County of New York, in CRFN 2005000139245 (together with any permitted modifications, amendments, restatements or supplements).

“**Condominium Documents**” shall mean all documents, as required by the Condominium Act and otherwise, relating to the submission of the Property to the provisions of said Condominium Act or to the regulation, operation, administration or sale thereof after such submission, including, but not limited to, the Condominium Declaration (and all exhibits and schedules annexed thereto), articles of incorporation, if applicable, Bylaws and rules and regulations of a condominium, floor plans and plats.

“**Condominium Property**” shall mean the General Common Elements, the Office Common Elements and the Office Limited Common Elements.

“**Condominium Proxy**” shall mean, individually or collectively as the context may require, those certain an irrevocable proxy agreements, each dated as of the date hereof, given by Borrower to Lender in connection with the Loan with respect to the exercise of Borrower’s rights on the Condominium Board.

“**Confirmed Qualified Owner**” shall mean a Person with respect to which Rating Agency Confirmation has been obtained and that would have been a Eligible Qualified Owner under one or more of clauses (a) through (e) of the definition thereof had the minimum dollar amounts specified therein been half of the amounts actually specified therein.

“**Connection Income Taxes**” means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Special Taxes or branch profits Special Taxes.

“**Control**” shall mean, with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, through the ownership of voting securities, by contract or otherwise, and Control shall not be deemed absent solely because a non-managing member, partner or shareholder shall have veto rights with respect to major decisions, and the terms Controlled, Controlling and Common Control shall have correlative meanings.

“**Control and Ownership Condition**” means a condition that is satisfied if and for so long

as each of the following is true: (1) one or more of ALX (so long as the ALX Ownership Condition is satisfied), VRLP, VRT, one or more Interstate Parties and/or one or more Eligible Qualified Owners, individually or collectively, Control Borrower and own at least 25% of the equity interests in Borrower (directly or indirectly) (the foregoing, collectively, the “**Controlling Owner**”), and (2) the Property is managed by a Qualified Manager.

“**Counterparty**” shall mean, with respect to the initial Interest Rate Cap Agreement, SMBC Capital Markets, Inc. and with respect to any Replacement Interest Rate Cap Agreement, any Approved Counterparty thereunder.

“**Debt**” shall mean the Outstanding Principal Balance together with all interest accrued and unpaid thereon and all other sums (including any Spread Maintenance Premium, if applicable) due to Lender from time to time in respect of the Loan under the Note, this Agreement, the Mortgage, the Environmental Indemnity or any other Loan Document.

“**Debt Service**” shall mean, with respect to any particular period, the scheduled interest payments due under the Note in such period.

“**Debt Service Coverage Ratio**” shall mean a ratio for the applicable period, reasonably determined by Lender, in which:

- (a) the numerator is the Net Operating Income for such period; and
- (b) the denominator is the aggregate Debt Service payable for such period, as calculated assuming an interest rate equal to the Spread for the Loan plus the Strike Price.

“**Default**” shall mean the occurrence of any event hereunder or under any other Loan Document which, but for the giving of notice or passage of time, or both, would constitute an Event of Default.

“**Default Rate**” shall mean, with respect to any Note or Note Component, a rate per annum equal to the lesser of (i) the Maximum Legal Rate or (ii) three percent (3%) above the applicable Interest Rate.

“**Deposit Account**” shall mean an Eligible Account at the Deposit Bank.

“**Deposit Bank**” shall mean Wells Fargo Bank, N.A. or such other bank as shall be designated from time to time by Lender (which other bank shall at all times be an Eligible Institution), provided that so long as Wells Fargo Bank, N.A. is an Eligible Institution, unless an Event of Default has occurred and is continuing hereunder, Lender may not replace Wells Fargo Bank, N.A. without obtaining Borrower’s prior written consent to any replacement (such consent not to be unreasonably withheld).

“**Eligible Account**” shall mean a separate and identifiable account from all other funds held by the holding institution that is an account or accounts (or subaccounts thereof) maintained with a federal or state-chartered depository institution or trust company which complies with the definition of Eligible Institution, having a combined capital and surplus of at least \$50,000,000 and subject to supervision or examination by federal and state authorities. An Eligible Account will not be evidenced by a certificate of deposit, passbook or other instrument.

“**Eligible Institution**” shall mean a depository institution or trust company insured by the Federal Deposit Insurance Corporation the short term unsecured debt obligations or commercial paper of which are rated at least A-1 by S&P, P-1 by Moody’s, F-1 by Fitch and R-1 (middle) by DBRS in the case of accounts in which funds are held for thirty (30) days or less or, in the case of Letters of Credit or accounts in which funds are held for more than thirty (30) days, the long term unsecured debt obligations of which are rated at least “A+” by Fitch and S&P, “A1” by Moody’s and A by DBRS, or such other depository institution otherwise approved by the Rating Agencies from time to time.

“**Eligible Qualified Owner**” shall mean a Qualified Transferee that is any one of the following (or is wholly owned and Controlled by any one or more of the following):

- (a) a pension fund, pension trust or pension account satisfying the Experience Threshold that (i) owns real estate assets in excess of \$2,000,000,000 (exclusive of the Property) and (ii) is managed by a Person that controls (by ownership or management) real estate assets in excess of \$2,000,000,000 (exclusive of the Property);
- (b) a pension fund advisor satisfying the Experience Threshold that (i) immediately prior to any transfer of the Property to such Person, controls (by ownership or management) real estate assets in excess of \$2,000,000,000 (exclusive of the Property) and (ii) is acting on behalf of one or more pension funds that, in the aggregate, own real estate assets in excess of \$2,000,000,000 (exclusive of the Property);
- (c) an insurance company which is subject to the jurisdiction of an insurance commissioner (or similar official or agency) of any state or territory of the United States (including the District of Columbia) satisfying the Experience Threshold that (i) has a Net Worth, as of a date not more than six (6) months prior to the date of the transfer of the Property or an interest therein to such insurance company, of at least \$1,000,000,000 and (ii) controls (by ownership or management) real estate assets in excess of \$2,000,000,000 (exclusive of the Property);
- (d) a corporation organized under the banking laws of the United States or any state or territory of the United States (including the District of Columbia) satisfying the Experience Threshold that (i) has a combined capital and surplus equal to at least \$1,000,000,000 and (ii) controls (by ownership or management) real estate assets of at least \$2,000,000,000 (exclusive of the Property);
- (e) a Person satisfying the Experience Threshold that (i) has a long-term unsecured debt rating from each Rating Agency that rates such Person’s long-term unsecured debt, and in any event from at least two (2) of the Rating Agencies, that is Investment Grade or (ii) (A) has a Net Worth, as of a date not more than six (6) months prior to the date of any transfer of the Property to such Person, of at least \$1,000,000,000 and (B) controls (by ownership or management) real estate assets of at least \$2,000,000,000 (exclusive of the Property);
- (f) a Confirmed Qualified Owner; and/or
- (g) an investment fund, limited liability company, limited partnership or general partnership (a “**Permitted Investment Fund**”) where (i) a Permitted Fund Manager

satisfying the Experience Threshold acts (directly or indirectly) as general partner, managing member or fund manager, and (ii) the Permitted Investment Fund has a Net Worth of at least \$1,000,000,000 excluding the Property and either the Permitted Fund Manager or the Permitted Investment Fund is regularly engaged in the business of controlling (by ownership or management) real estate assets.

“**Environmental Indemnity**” shall mean that certain Environmental Indemnity Agreement dated as of the date hereof executed by Borrower in connection with the Loan for the benefit of Lender.

“**ERISA**” shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated thereunder.

“**ERISA Affiliate**” shall mean at any time, each trade or business (whether or not incorporated) that would, at the time, be treated together with Borrower as a single employer under Section 414(b), (c), (m) or (o) of the Code.

“**Excluded Taxes**” shall mean (a) taxes (including any additions to tax, penalties and interest) imposed on or measured by net income (however denominated) or net profits (including any branch profits or franchise taxes) of, or required to be withheld or deducted from any payment to, Lender or any of its Affiliates, divisions or branches by the jurisdiction (or any political subdivision thereof) (i) as a result of Lender (or Affiliate, divisions or branches of Lender) being a resident or deemed to be resident, is organized, maintains an office, or carries on business or is deemed to carry on business to which such payment relates, in the jurisdiction imposing such taxes or (ii) that are Other Connection Taxes; (b) any U.S. federal withholding tax that is imposed on amounts payable to or for the account of Lender (or any transferee, successor or assignee thereof, including any Person that is sold or assigned an interest in the Loan pursuant to Article IX) under the law in effect at the time Lender (or such transferee, successor or assignee) becomes a party to this Agreement or changes its lending office, (c) any backup withholding taxes; (d) taxes imposed on account of Lender not providing documentation (including documentation regarding direct or indirect owners) that would have reduced or eliminated such taxes, provided that such Lender is legally entitled to provide such documentation; and (e) U.S. federal withholding taxes imposed on account of Sections 1471-74 of the Code (or any similar or successor provision that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof.

“**Excusable Delay**” shall mean a delay solely due to acts of God, Governmental Authority restrictions, stays, judgments, orders, decrees, enemy actions, civil commotion, fire, casualty, strikes, work stoppages, shortages of labor or materials or other causes beyond the reasonable control of Borrower (including any delays in any determinations under the Condominium Documents as to whether or not the building will be restored and any delays caused by the owner of a Unit other than Borrower).

“**Experience Threshold**” shall mean the ownership and/or management of more than 5,000,000 leasable square feet (excluding the Property) of institutional class office properties located in central business districts of major urban centers of the United States of America, with at least five (5) years’ experience in the ownership and/or management of such properties.

“**Extension Notice**” shall mean the First Extension Notice, the Second Extension Notice, the Third Extension Notice or the Fourth Extension Notice, as applicable.

“**Extension Option**” shall mean the First Extension Option, the Second Extension Option, the Third Extension Option or the Fourth Extension Option, as applicable.

“**Fiscal Year**” shall mean each twelve (12) month period commencing on January 1 and ending on December 31 during each year of the Term, or such other fiscal year as may be selected by Borrower and approved by Lender, which approval shall not be unreasonably withheld, delayed or conditioned.

“**Fitch**” shall mean Fitch, Inc.

“**GAAP**” shall mean generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the accounting profession), or in such other statements by such entity as may be in general use by significant segments of the U.S. accounting profession as of the date of the applicable financial report or other date when GAAP is applicable.

“**General Common Elements**” shall mean the “General Common Elements” as such term is defined in the Condominium Declaration.

“**Governmental Authority**” shall mean any court, board, agency, commission, office or authority of any nature whatsoever or any governmental unit (federal, state, commonwealth, county, district, municipal, city or otherwise) whether now or hereafter in existence.

“**Gross Income**” shall mean, for the applicable calculation period, an amount equal to:

(A) the sum of the following amounts (without duplication): (i) actual base rents received by Borrower during the four calendar quarters then most recently ended under Leases at the Property with Tenants that have accepted possession and are paying full unabated base rent as of the date of such calculation (“**Bona Fide Leases**”), adjusted to annualize rent increases that commenced during such four calendar quarters or that will commence within 30 days following the end of such four calendar quarters (in each case only with respect to permanent rent increases specified in the corresponding Leases); (ii) actual percentage rents, escalation payments, payments on account of electricity, condenser water usage and overtime charges, other recoveries and other sundry charges received by Borrower under Bona Fide Leases during such four calendar quarters; (iii) pro forma base rents for Leases at the Property entered into as of the date of calculation if as of such date the Tenant under each such Lease has taken possession of its premises, nine (9) months or less of rent abatements remain outstanding under such Lease, and all of Borrower’s obligations which are conditions to the commencement of each such Lease have been satisfied (excluding de minimis amounts owed to the Tenant under such Lease and amounts owed to the Tenant under such Lease for which Lender is holding reserves); and (iv) actual cash flow receipts received by Borrower from other sources at the Property during such four calendar quarters (to the extent not covered in (i) through (iii) above); less

(B) the sum of the following amounts (without duplication): (i) any amounts included

in (A) above representing sales, use and occupancy or other taxes on receipts required to be accounted for by Borrower to any Governmental Authority, tax rebates, refunds, proceeds from the sale of furniture, fixtures and equipment or any other sale, transfer or exchange, proceeds from any financing, capital contributions, interest income from any source other than the Deposit Account, the Accounts or other accounts required to be maintained for the benefit of Lender pursuant to the Loan Documents, Insurance Proceeds (other than business interruption or rent loss insurance proceeds), Awards, forfeited Tenant security deposits (other than if applied in the ordinary course to the payment of rent and the Tenant under the applicable Lease is otherwise not in default thereunder beyond any applicable notice and cure periods), utility and other similar deposits, Lease Termination Payments and any other extraordinary or other non-recurring revenues; and (ii) any amounts included in (A) above received (w) from Tenants not paying full, unabated base rent as of the date of calculation (except as set forth in clause (iii) above), (x) from Tenants that are in material default of their obligations to pay monthly base rent under their Leases and such default has remained uncured for thirty (30) days, (y) from Tenants that are the subject of a bankruptcy or other insolvency proceeding (unless such Leases have been affirmed in the applicable bankruptcy or insolvency proceeding), and (z) from Tenants under month-to-month Leases (provided, however, that any Lease that has continued on a month-to-month basis for more than six (6) months and neither Borrower nor Tenant has delivered notice of an intention to terminate shall not constitute a month-to-month Lease) or Leases where the term expires within thirty (30) days from the determination of Gross Income (unless an extension of such Lease or a new Lease has been executed).

“**Gross Revenue**” shall mean all revenue derived from the ownership and operation of the Property from whatever source, including Rents and any Insurance Proceeds (whether or not Lender elects to treat any such Insurance Proceeds as business or rental interruption Insurance Proceeds pursuant to Section 5.4(f)).

“**Guarantor**” shall mean ALX.

“**Guaranty**” shall mean that certain Guaranty of Recourse Obligations of even date herewith from Guarantor for the benefit of Lender.

“**Indebtedness**” shall mean, for any Person, without duplication: (i) all indebtedness of such Person for borrowed money, for amounts drawn under a letter of credit, or for the deferred purchase price of property for which such Person or its assets is liable, (ii) all unfunded amounts under a loan agreement, letter of credit, or other credit facility for which such Person would be liable if such amounts were advanced thereunder, (iii) all amounts required to be paid by such Person as a guaranteed payment to partners or a preferred or special dividend, including any mandatory redemption of shares or interests, except if the partnership, operating or similar agreement provides that the same is waived to the extent such Person lacks funds to pay the same, (iv) all indebtedness guaranteed by such Person, directly or indirectly, (v) all obligations under leases that constitute capital leases for which such Person is liable, and (vi) all obligations of such Person under interest rate swaps, caps, floors, collars and other interest hedge agreements, in each case for which such Person is liable or its assets are liable, whether such Person (or its assets) is liable contingently or otherwise, as obligor, guarantor or otherwise, or in respect of which obligations such Person otherwise assures a creditor against loss.

“**Indemnified Taxes**” means Special Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by Borrower under any Loan Document.

“Independent” shall mean, when used with respect to any Person, a Person who: (i) does not have any direct financial interest or any material indirect financial interest in Borrower or in any Borrower Affiliate, (ii) is not connected with Borrower or any Borrower Affiliate as an officer, employee, promoter, underwriter, trustee, partner, member, manager, creditor, director, supplier, customer or person performing similar functions (other than as a result of providing services to Borrower or any Borrower Affiliate) and (iii) is not a member of the immediate family of a Person defined in clauses (i) or (ii) above.

“Independent Accountant” shall mean (i) a firm of nationally-recognized, certified public accountants which is Independent and which is selected by Borrower and is either a “Big 4” accounting firm or is otherwise reasonably acceptable to Lender or (ii) such other certified public accountant(s) selected by Borrower, which is Independent and reasonably acceptable to Lender.

“Insolvency Opinion” shall mean that certain bankruptcy non-consolidation opinion letter dated the date hereof delivered by Edwards Wildman Palmer LLP in connection with the Loan.

“Interest Determination Date” shall mean, (A) with respect to the Initial Interest Period, the date that is two (2) Business Days before the Closing Date and (B) with respect to any other Interest Period, the date which is two (2) Business Days prior to the fifteenth (15th) day of each calendar month. When used with respect to an Interest Determination Date, Business Day shall mean any day on which banks are open for dealing in foreign currency and exchange in London.

“Interest Rate” shall mean, with respect to each Interest Period, an interest rate per annum equal to (i) for a LIBOR Loan, the sum of (a) LIBOR, determined as of the Interest Determination Date immediately preceding the commencement of such Interest Period and, plus (b) the Spread; and (ii) for a Prime Rate Loan, the sum of (a) the Prime Rate, plus (b) the Prime Rate Spread.

“Interest Rate Cap Agreement” shall mean the Confirmation and Agreement (together with the confirmation and schedules relating thereto), dated on or about the date hereof, between the Counterparty and Borrower, obtained by Borrower and collaterally assigned to Lender pursuant to this Agreement. After delivery of a Replacement Interest Rate Cap Agreement to Lender, the term Interest Rate Cap Agreement shall be deemed to mean such Replacement Interest Rate Cap Agreement. The Interest Rate Cap Agreement shall be governed by the laws of the State of New York and shall contain each of the following:

- (a) the notional amount of the Interest Rate Cap Agreement shall be equal to the Outstanding Principal Balance;
- (b) the remaining term of the Interest Rate Cap Agreement shall at all times extend through the end of the Interest Period in which the Maturity Date occurs as extended from time to time pursuant to this Agreement and the Loan Documents;
- (c) the Interest Rate Cap Agreement shall be issued by the Counterparty to Borrower and shall be pledged to Lender by Borrower in accordance with this Agreement;

(d) the Counterparty under the Interest Rate Cap Agreement shall be obligated to make a stream of payments, directly to the Clearing Account (whether or not an Event of Default has occurred) from time to time equal to the product of (i) the notional amount of such Interest Rate Cap Agreement multiplied by (ii) the excess, if any, of LIBOR (as defined herein) over the Strike Price and shall provide that such payment shall be made on a monthly basis in each case not later than (after giving effect to and assuming the passage of any cure period afforded to such Counterparty under the Interest Rate Cap Agreement, which cure period shall not in any event be more than three Business Days) each Monthly Payment Date;

(e) the Counterparty under the Interest Rate Cap Agreement shall execute and deliver the Acknowledgment; and

(f) the Interest Rate Cap Agreement shall impose no material obligation on the beneficiary thereof (after payment of the acquisition cost) and shall be in all material respects reasonably satisfactory in form and substance to Lender and shall satisfy applicable Rating Agency standards and requirements, including, without limitation, provisions satisfying Rating Agencies standards, requirements and criteria (i) that incorporate representations by the Counterparty that no withholding taxes shall apply to payments by the Counterparty, and provide for "gross up" payments by the Counterparty for any withholding tax, and (ii) whereby the Counterparty agrees not to file or join in the filing of any petition against Borrower under the Bankruptcy Code or any other Federal or state bankruptcy or insolvency law.

"*Interstate*" shall mean Interstate Properties, a New Jersey general partnership.

"*Interstate Parties*" shall mean, collectively (i) Interstate, so long as Interstate is Controlled by any one or more of Roth, Mandelbaum and Wight, (ii) Steven Roth ("*Roth*"), (iii) David Mandelbaum ("*Mandelbaum*"), (iv) Russell B. Wight, Jr. ("*Wight*"), or (v) any trust Controlled by any of the Persons described in clauses (ii), (iii) or (iv) created for the benefit of any of the Persons described in clauses (ii), (iii) or (iv) or any of the immediate family members (including children by adoption) of the Persons referred to in clauses (ii), (iii) or (iv).

"*Investment Grade*" shall mean, with respect to any Person, that the long-term unsecured debt obligations of such Person are rated at least "BBB-" by S&P or its equivalent by another Rating Agency.

"*Lease*" shall mean any lease, sublease, sub-sublease, letting, license, concession or other agreement (whether written or oral and whether now or hereafter in effect) pursuant to which any Person is granted by Borrower (or any predecessor-in-interest of Borrower) a possessory interest in, or right to use or occupy, all or any portion of any space in the Property, and every modification, amendment or other agreement relating to such lease, sublease, sub-sublease, or other agreement entered into in connection with such lease, sublease, sub-sublease, or other agreement and every guarantee of the performance and observance of the covenants, conditions and agreements to be performed and observed by the other party thereto.

"*Leasing Agreement*" shall mean that certain Real Estate Retention Agreement, dated as of the date hereof, between Borrower and Alexander's Management LLC, a New York limited liability company (the "*Leasing Agent*"), pursuant to which the Leasing Agent is to provide

leasing and other services with respect to the Property, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time in accordance with the terms hereof.

“**Legal Requirements**” shall mean all federal, state, county, municipal and other governmental statutes, laws, rules, orders, regulations, ordinances, judgments, decrees and injunctions of Governmental Authorities affecting the Loan, any Secondary Market Transaction with respect to the Loan, Borrower or the Property or any part thereof or the construction, use, alteration or operation thereof, or any part thereof, whether now or hereafter enacted and in force, including, without limitation, the Securities Act, the Exchange Act, Regulation AB, the rules and regulations promulgated pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, zoning and land use laws, the Americans with Disabilities Act of 1990, and all permits, licenses and authorizations and regulations relating thereto, and all covenants, agreements, restrictions and encumbrances contained in any instruments, either of record or known to Borrower, at any time in force affecting the Property or any part thereof, including any which may (i) require repairs, modifications or alterations in or to the Property or any part thereof, or (ii) in any way limit the use and enjoyment thereof, but for the avoidance of doubt, excluding the Condominium Documents.

“**Letter of Credit**” shall mean an irrevocable, unconditional, transferable (without payment of any transfer fee), clean sight draft letter of credit (either an evergreen letter of credit or one which does not expire until at least thirty (30) Business Days after the Stated Maturity Date) in favor of Lender and entitling Lender to draw thereon in New York, New York, issued by a domestic Eligible Institution or the U.S. agency or branch of a foreign Eligible Institution; provided that a letter of credit shall cease to be a Letter of Credit if at any time the issuing institution is no longer an Eligible Institution. The following terms and conditions shall apply to each Letter of Credit:

Each such Letter of Credit shall expressly provide that partial draws are permitted thereunder.

Each such Letter of Credit shall expressly provide that it is freely transferable (without payment of any transfer fee) to any successor or assign of Lender.

Lender shall be entitled to draw on any Letter of Credit immediately and without further notice (1) upon the occurrence and during the continuance of any Event of Default, (2) if Borrower shall not have delivered to Lender, no less than thirty (30) days prior to the expiration date of such Letter of Credit (including any renewal or extension thereof), a renewal or extension of such Letter of Credit or a replacement Letter of Credit for a term of not less than one year (or through the date that is thirty (30) days beyond the Maturity Date, whichever is earlier), or (3) within ten (10) Business Days after receiving notice from Lender that the issuing institution is not an Eligible Institution, either (x) deliver to Lender a replacement Letter of Credit or (y) deposit with Lender cash collateral in lieu of such Letter of Credit or (z) deliver to Lender a guaranty from a Qualified Guarantor in form and substance reasonably satisfactory to Lender, if and only if such a guaranty is expressly permitted to be delivered hereunder in respect of the matter for which such Letter of Credit was delivered.

“**LIBOR**” shall mean, with respect to each Interest Period and each Interest

Determination Date, the rate per annum (rounded upwards, if necessary, to the nearest 1/1,000 of 1% (0.001%)) calculated by the Lender as set forth below:

(a) The rate for deposits in U.S. Dollars for a one-month period that appears on Reuters Screen LIBOR01 Page (or its equivalent) as of 11:00 a.m., London time, on such Interest Determination Date.

(b) If such rate does not appear on Reuters Screen LIBOR01 Page (or its equivalent) as of 11:00 a.m., London time, on the applicable Interest Determination Date, the Lender shall request the principal London office of any four major reference banks in the London interbank market selected by the Lender to provide such reference bank's offered quotation to prime banks in the London interbank market for deposits in United States dollars for a one-month period as of 11:00 a.m., London time, on such Interest Determination Date in a principal amount of not less than \$1,000,000 that is representative for a single transaction in the relevant market at the relevant time. If at least two such offered quotations are so provided, LIBOR shall be the arithmetic mean of such quotations. If only one quotation is provided, the Lender shall request any three major banks in New York City selected by the Lender to provide each such bank's rates for loans in U.S. Dollars to leading European banks for a one-month period as of 11:00 a.m., New York City time, on such Interest Determination Date in a principal amount not less than \$1,000,000 that is representative for a single transaction in the relevant market at the relevant time, and if at least two such rates are so provided, LIBOR shall be the arithmetic mean of such rates.

"**LIBOR Loan**" shall mean the Loan at such time as interest thereon accrues at a rate of interest based upon LIBOR.

"**Lien**" shall mean any mortgage, deed of trust, lien (statutory or otherwise), pledge, hypothecation, assignment, security interest, or any other encumbrance, charge or transfer of, or any agreement to enter into or create any of the foregoing, including any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, the filing of any financing statement, and mechanic's, materialmen's and other similar liens and encumbrances.

"**Liquid Assets**" shall mean any of the following, but only to the extent owned individually, free of all security interests, liens, pledges, charges or any other encumbrance: (a) cash, (b) marketable direct obligations issued by, or guaranteed by, the United States of America or issued by any agency or instrumentality thereof and backed by the full faith and credit of the United States of America, (c) Investment Grade municipal and corporate bonds, (d) time deposits, demand deposits, certificates of deposit, Eurodollar time deposits, time deposit accounts, term deposit accounts or bankers' acceptances maturing within two years from the date of acquisition or overnight bank deposits, (e) investments in money market funds which invest substantially all of their assets in securities of the type described in clauses (a) through (d) above, and (f) marketable securities publicly traded on a nationally recognized stock exchange (including operating partnership units of any operating partnership of a publicly-traded real estate investment trust so long as, in each case, the same are not subject to lock-up rights and can be readily converted into shares of common stock in such publicly-traded real estate investment trust).

“**Loan**” shall mean the loan in the original principal amount of the Loan Amount, made by Lender to Borrower pursuant to this Agreement.

“**Loan Amount**” means \$300,000,000.

“**Loan Documents**” shall mean, collectively, this Agreement, the Note, the Mortgage, the Assignment of Leases, the Cash Management Agreement, the Clearing Account Agreement, the Assignment of Agreements, the Environmental Indemnity, the Assignment of Management Agreement, the Assignment of Leasing Agreement, the Guaranty and the Condominium Proxy and any other documents, agreements and instruments now or hereafter evidencing, securing or delivered to Lender in connection with the Loan, as the same may be (and each of the foregoing defined terms shall refer to such documents as they may be) amended, restated, replaced, supplemented or otherwise modified from time to time.

“**Low Debt Service Period**” shall commence if the Debt Service Coverage Ratio is less than 1.50:1.00 for two Test Periods ending on two consecutive Calculation Dates, as reasonably determined by Lender, and shall end if the Property has achieved a Debt Service Coverage Ratio of at least 1.50:1.00 for two Test Periods ending on two consecutive Calculation Dates, as reasonably determined by Lender.

“**Major Lease**” shall mean any Lease which, either individually, or when taken together with any other Lease with the same Tenant or its Affiliates, and assuming the exercise of all expansion rights and all preferential rights to lease additional space contained in such Lease, (i) demises more than 100,000 rentable square feet at the Property, (ii) contains an option or other preferential right to purchase all or any portion of the Property, (iii) is with an Affiliate of Borrower as Tenant, (iv) is entered into during the continuance of an Event of Default, or (v) contains any option to purchase or any right of first refusal to purchase all or any portion of the Property or any right of the Tenant thereunder to terminate its Lease (except if such termination right is triggered by the destruction or condemnation of substantially all of the Property or a failure by Borrower to deliver or build out the leased premises in accordance with the conditions specified in the Lease).

“**Management Agreement**” shall mean the Office Unit 1 Management Agreement or the Office Unit 2 Management Agreement, as applicable.

“**Manager**” means the Qualified Manager engaged from time to time to manage the Property in accordance with the terms and conditions of the Loan Documents.

“**Material Adverse Effect**” shall mean any event or condition that has a material adverse effect, in each case, taken as a whole on (a) the Property, (b) the use, operation or value of the Property, (c) the business, profits, operations or financial condition of Borrower, (d) the ability of Guarantor to perform its obligations under the Environmental Indemnity or Guaranty or any other guaranty given in connection with the Loan or (e) the ability of Borrower to repay the principal and interest of the Loan as it becomes due or to satisfy any of Borrower’s obligations under the Loan Documents.

“**Material Alteration**” shall mean any alteration affecting structural elements of the Property the cost of which exceeds the Alteration Threshold; provided, however, that in no event shall (i) any Tenant improvement work performed pursuant to any Lease existing on the Closing

Date or entered into hereafter in accordance with the provisions of this Agreement, (ii) any alterations performed as part of a Restoration, or (iii) any alterations required pursuant to applicable Legal Requirements constitute a Material Alteration.

“**Maturity Date**” shall mean the Stated Maturity Date, provided that (a) in the event of the exercise by Borrower of the First Extension Option pursuant to Section 2.7, the Maturity Date shall be the First Extended Maturity Date, (b) in the event of the exercise by Borrower of the Second Extension Option pursuant to Section 2.7, the Maturity Date shall be the Second Extended Maturity Date, (c) in the event of the exercise by Borrower of the Third Extension Option pursuant to Section 2.7, the Maturity Date shall be the Third Extended Maturity Date, and (d) in the event of the exercise by Borrower of the Fourth Extension Option pursuant to Section 2.7, the Maturity Date shall be the Fourth Extended Maturity Date, or such earlier date on which the final payment of principal of the Note becomes due and payable as herein and therein provided, whether at the Stated Maturity Date, by declaration of acceleration, extension or otherwise.

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

“**Monthly Operating Expense Budgeted Amount**” shall mean the monthly amount set forth in the Approved Annual Budget for Operating Expenses for the calendar month in which such Monthly Payment Date occurs.

“**Monthly Payment Date**” shall mean the eleventh (11th) day of every calendar month occurring during the Term. The first Monthly Payment Date shall be April 11, 2014.

“**Moody's**” shall mean Moody's Investors Service, Inc.

“**Morningstar**” shall mean Morningstar Credit Ratings, LLC, or any of its successors in interest, assigns, and/or changed entity name or designation resulting from any acquisition by Morningstar, Inc. or other similar entity of Morningstar Credit Ratings, LLC.

“**Mortgage**” shall mean that certain first priority Amended and Restated Mortgage, Assignment of Leases and Rents and Security Agreement, dated the date hereof, executed and delivered by Borrower as security for the Loan and encumbering the Property, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

“**Multi-Asset Person**” shall mean a Person in respect of which the net operating income from the Property (or such portion thereof allocable to such Person) is less than fifty percent (50%) of such Person's aggregate gross income.

“**Multiemployer Plan**” shall mean a “multiemployer plan” as defined in Section 3(37) of ERISA.

“**Net Operating Income**” shall mean, as of any date of determination, Gross Income minus Operating Expenses.

“**Net Worth**” shall mean, with respect to any Person, the Gross Asset Value of such Person minus the sum of (i) the Total Liabilities of such Person, and (ii) minority interests not owned by such Person (provided that the corresponding asset amount for such minority interests were included in the calculation of Gross Asset Value). For purpose of this definition, (a) “**Gross Asset Value**” shall mean the sum value of all assets of such Person, including, but not be limited to Liquid Assets, personal homes and effects, operating partnership units held by such Person in the operating partnership of any real estate investment trust, the current market value of all marketable securities and the real estate assets owned by such Person (with the value of such real estate assets to be based on their respective market values), together with the amount of all uncalled capital commitments of institutional “accredited investors”, within the meaning of Regulation D promulgated under the Securities Act of 1933, as amended, and/or a “qualified institutional buyers” or both within the meaning of Rule 144A promulgated under the Securities Exchange Act of 1934, as amended, but in each case shall exclude the Property and any other amounts owed to such Person by any of its Affiliates, and (b) “**Total Liabilities**” shall mean the sum of all liabilities, including principal recourse and non-recourse debt, drawn lines of credit, issued and undrawn letters of credit, unsecured debt, subordinated debt, accounts payable and accrued expenses, federal and state tax liabilities and unfunded obligations of such Person, and in each case shall exclude any liabilities relating to the Property and any other amounts owed by such Person to any of its Affiliates.

“**NRSRO**” shall mean any credit rating agency that has elected to be treated as a nationally recognized statistical rating organization for purposes of Section 15E of the Exchange Act, without regard to whether or not such credit rating agency has been engaged by Lender or its designees in connection with, or in anticipation of, a Securitization.

“**Obligations**” shall mean, collectively, Borrower’s obligations for the payment of the Debt and the performance of the Other Obligations.

“**Office Common Elements**” shall mean the “Office Common Elements” as such term is defined in the Condominium Declaration.

“**Office Limited Common Elements**” shall mean the “Office Limited Common Elements” as such term is defined in the Condominium Declaration.

“**Office Unit 1 Management Agreement**” shall mean the management agreement entered into by and between Borrower and the current Manager with respect to the Unit known as Office Unit 1 (as defined in the Condominium Declaration) and the related Office Limited Common Elements or any replacement management agreement entered into by and between Borrower and a Manager in accordance with the terms of the Loan Documents, pursuant to which the Manager is to provide management and other services with respect to such Unit and related Office Limited Common Elements, in either such case, as the same may be amended, restated, replaced, extended, renewed, supplemented or otherwise modified from time to time in compliance with the terms and conditions of the Loan Documents.

“**Office Unit 2 Management Agreement**” shall mean the management agreement entered into by and between Borrower and the current Manager with respect to the Unit known as Office Unit 2 (as defined in the Condominium Declaration) and the related Office Limited Common Elements or any replacement management agreement entered into by and between Borrower and a Manager in accordance with the terms of the Loan Documents, pursuant to which the Manager

is to provide management and other services with respect to such Unit and related Office Limited Common Elements, in either such case, as the same may be amended, restated, replaced, extended, renewed, supplemented or otherwise modified from time to time in compliance with the terms and conditions of the Loan Documents.

“**Officer’s Certificate**” shall mean a certificate delivered to Lender by Borrower which is signed by an officer of Borrower or by an officer of the direct or indirect Controlling owner of Borrower, which officer is duly authorized to deliver such certificate.

“**Operating Expenses**” shall mean, for any period, without duplication, all expenses actually paid or payable by Borrower during such period in connection with the operation, management, maintenance, repair and use of the Property, determined on an accrual basis, and, except to the extent otherwise provided in this definition, in accordance with GAAP. Operating Expenses specifically shall include, without limitation, (i) all operating expenses incurred in the period in question based on the financial statements delivered to Lender in accordance with Section 4.9 hereof for such period, (ii) property management fees in an amount equal to actual property management fees, provided, that for the purposes of calculating Net Operating Income, in no event shall property management fees be less than one percent (1.0%) of Operating Income, (iii) administrative, payroll, security and general expenses for the Property, (iv) the cost of utilities, inventories and fixed asset supplies consumed in the operation of the Property, (v) costs and fees of independent professionals (including, without limitation, legal, accounting, consultants and other professional expenses), technical consultants, operational experts (including quality assurance inspectors) or other third parties retained to perform services required or permitted hereunder, (vi) cost of attendance by employees at training and manpower development programs, (vii) association dues, (viii) computer processing charges, (ix) operational equipment and other lease payments that are not capitalized in accordance with GAAP, and (x) Taxes and Other Charges (other than income taxes or Other Charges in the nature of income taxes) and insurance premiums or allocations. Notwithstanding the foregoing, Operating Expenses shall not include (1) depreciation, amortization or other non-cash items (other than expenses that are due and payable and not yet paid), (2) income taxes or Other Charges in the nature of income taxes, (3) any expenses (including legal, accounting and other professional fees, expenses and disbursements) incurred in connection with the making of the Loan or the sale, exchange, transfer, financing or refinancing of all or any portion of the Property or in connection with the recovery of Insurance Proceeds or Awards which are applied to prepay the Note, (4) Capital Expenditures and any other expenses which are required to be capitalized in accordance with GAAP, (5) Debt Service, (6) any item of expense which would otherwise be considered within Operating Expenses pursuant to the provisions above but is paid directly by any Tenant, (7) equity distributions, (8) leasing costs, including tenant improvements and allowances, leasing commissions and legal costs, and (9) deposits to Reserve Accounts.

“**Operating Income**” shall mean, for any period, all income of Borrower during such period from the use, ownership or operation of the Property, including:

- (a) all amounts payable to Borrower by any Person as Rent and other amounts under Leases, license agreements, concession agreements, occupancy agreements and other agreements relating to the Property;
- (b) business interruption insurance proceeds allocable to the applicable reporting period; and

(c) all other amounts which in accordance with GAAP are included in Borrower's annual financial statements as operating income attributable to the Property.

Notwithstanding the foregoing, Operating Income shall not include (a) any Insurance Proceeds (other than business interruption and/or rental loss insurance proceeds and only to the extent allocable to the applicable reporting period), (b) any proceeds resulting from the Transfer of all or any portion of the Property, (c) any item of income otherwise included in Operating Income but paid directly by any Tenant to a Person other than Borrower as an offset or deduction against Rent payable by such Tenant, provided such item of income is for payment of an item of expense (such as payments for utilities paid directly to a utility company) and such expense is otherwise excluded from the definition of Operating Expenses pursuant to clause "(6)" of the definition thereof, (d) security deposits received from Tenants until forfeited or applied and (e) any Lease Termination Payments. Operating Income shall be calculated on an accrual basis of accounting and, except to the extent otherwise provided in this definition in accordance with GAAP (but in all cases without straight-lining of rents).

"Original Bloomberg Lease" shall mean that certain Agreement of Lease, dated as of April 30, 2001, between Seven Thirty One Limited Partnership (predecessor-in-interest to Borrower), as landlord, and Bloomberg, as tenant, as amended by that certain First Amendment of Lease, dated as of April 19, 2002, between Borrower and Bloomberg, as the same may be amended, supplemented or otherwise modified from time to time in accordance with this Agreement.

"Other Charges" shall mean all ground rents, Condominium Charges, maintenance charges, impositions other than Taxes and any other charges, including vault charges and license fees for the use of vaults, chutes and similar areas adjoining the Property, now or hereafter levied or assessed or imposed against the Property or any part thereof, and any interest or penalties assessed in connection with any of the foregoing.

"Other Connection Taxes" means, with respect to Lender, Special Taxes imposed as a result of a present or former connection between Lender and the jurisdiction imposing such Special Tax (other than connections arising from such Lender having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"Other Obligations" shall mean (a) the performance of all obligations of Borrower contained herein; (b) the performance of each obligation of Borrower contained in any other Loan Document; and (c) the performance of each obligation of Borrower contained in any renewal, extension, amendment, modification, consolidation, change of, or substitution or replacement for, all or any part of this Agreement, the Note or any other Loan Document.

"Outstanding Principal Balance" shall mean, as of any date, the outstanding principal balance of the Loan.

"Patriot Act" shall mean the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT ACT) of 2001, as the same may be amended from time to time, and corresponding provisions of future laws.

“**Permitted Encumbrances**” shall mean, collectively, (i) the Liens and security interests created by the Loan Documents, (ii) all encumbrances and other matters disclosed in the Title Insurance Policy, (iii) Liens, if any, for Taxes or Other Charges imposed by any Governmental Authority not yet delinquent or that are being contested in compliance with the terms of this Agreement, (iv) any workers’, mechanics’ or other similar Liens on the Property provided that any such Lien is bonded or discharged within sixty (60) days after Borrower first receives written notice of such Lien or which is being contested in good faith in accordance with the requirements of Section 4.3, (v) such other title and survey exceptions as Lender has approved or may approve in writing in Lender’s reasonable discretion and (vi) the Leases.

“**Permitted Fund Manager**” means any Person that on the date of determination is (i) one of the Persons listed on the list of “Preapproved Fund Managers” in that certain letter from Borrower to Lender of even date herewith (each, a “**Preapproved Fund Manager**”) or any other nationally-recognized manager of investment funds investing in equity interests relating to Class A commercial real estate located in major urban centers of the United States of America, including, without limitation, New York City, with real estate assets under management in excess of \$2,000,000,000, and (ii) not subject to a bankruptcy proceeding.

“**Permitted 731 Transfers**” means any of the following, provided the same shall not result in a violation of ERISA or the Patriot Act:

(a) any pledge (as distinguished from a realization on any such pledge) of direct or indirect equity interests in and/or right to distributions from, Guarantor, VRLP, VRT, any Multi-Asset Person, or any of their direct or indirect equityholders to secure a loan to any such Person that is secured by all or a substantial portion of any such Person’s assets;

(b) the Transfer or issuance of any securities or any direct or indirect interests in (i) any direct or indirect owner of Borrower, in either case, whose securities are publicly traded on a national exchange (including Guarantor’s, VRLP’s and VRT’s securities) (regardless of whether such Transfer or issuance is of publicly traded securities or interests), (ii) any Person who directly or indirectly holds such securities or interests, or (iii) any Multi-Asset Person, provided that, in each case, such Transfer or issuance does not result in a failure to satisfy the Control and Ownership Condition; or

(c) (i) the merger or consolidation of Guarantor, VRT, VRLP or any Eligible Qualified Owner with or into any other Person or sale of all or substantially all of the assets of Guarantor, VRT, VRLP or any Eligible Qualified Owner, (ii) the merger or consolidation of any entity holding direct or indirect ownership interests in Borrower into another entity, where the resulting entity is (or is wholly owned and Controlled by) an Eligible Qualified Owner, or (iii) the sale of all or substantially all of the assets of an entity holding direct or indirect ownership interests in Borrower to another entity, where the purchasing or acquiring entity is an Eligible Qualified Owner (each, a “**Guarantor/EQO Transfer**”); provided that such Guarantor/EQO Transfer does not result in a failure to satisfy the Control and Ownership Condition.

“**Person**” shall mean any individual, corporation, partnership, limited liability company, joint venture, estate, trust, unincorporated association, any other entity, any Governmental Authority and any fiduciary acting in such capacity on behalf of any of the foregoing.

“**Physical Conditions Report**” shall mean that certain Property Condition Assessment, prepared by IVI Assessment Services, Inc. and dated as of February 10, 2014.

“**Prepayment Notice**” shall mean a prior written notice to Lender specifying the proposed Business Day on which a prepayment of the Debt is to be made pursuant to [Section 2.4](#) hereof, which date must be a no earlier than ten (10) days after the date of such Prepayment Notice and no later than sixty (60) days after the date of such Prepayment Notice. Such notice may be revoked by Borrower at any time, and Borrower shall reimburse Lender for any reasonable out-of-pocket costs and expenses, including reasonable attorney’s fees and disbursements, incurred directly in conjunction with preparing for the prepayment.

“**Prime Rate**” shall mean the rate of interest published in *The Wall Street Journal* from time to time as the “Prime Rate”. If more than one “Prime Rate” is published in *The Wall Street Journal* for a day, the average of such “Prime Rates” will be used, and such average will be rounded up to the nearest 1/100th of one percent (0.01%). If *The Wall Street Journal* ceases to publish the “Prime Rate,” Lender will select an equivalent publication that publishes such “Prime Rate,” and if such “Prime Rates” are no longer generally published or are limited, regulated or administered by a governmental or quasi-governmental body, then Lender will select a reasonably comparable interest rate index.

“**Prime Rate Loan**” shall mean the Loan at such time as interest thereon accrues at a rate of interest based upon the Prime Rate and the Prime Rate Spread.

“**Prime Rate Spread**” shall mean, in connection with any conversion of the Loan from a LIBOR Loan to a Prime Rate Loan, the difference (expressed as the number of basis points) between (a) the sum of (i) LIBOR, determined as of the Interest Determination Date for which LIBOR was last available, plus (ii) the Spread, minus (b) the Prime Rate as of such Interest Determination Date; provided, however, that if such difference is a negative number, then the Prime Rate Spread shall be zero.

“**Prior Loan**” means that certain loan in the original principal amount of \$400,000,000 from German American Capital Corporation to Borrower.

“**Property**” shall mean the real property described on [Exhibit A](#) attached hereto and made a part hereof, consisting of two (2) office condominium units, the Improvements now or hereafter erected or installed thereon and all personal property owned by Borrower and encumbered by the Mortgage, together with all rights pertaining to such property and Improvements, all as more particularly described in the Granting Clauses of the Mortgage.

“**PZR Report**” means that certain Zoning and Site Requirements Summary for the Property prepared by The Planning & Zoning Resource Corporation dated February 18, 2014.

“**Qualified Guarantor**” shall mean a Person that (a) is formed in, maintains its principal place of business in, and is subject to service of process in, the United States, (b) has all or substantially all of its assets in the United States, (c) has never been indicted or convicted of, or plead guilty or no contest to a Patriot Act Offense and is not on any Government List and (d) at all times that such Person is acting as a Qualified Guarantor maintains an Investment Grade rating from each of the Rating Agencies that rates such Person (and in any event from at least two (2) of the Rating Agencies).

“Qualified Manager” shall mean (i) the Manager as of the Closing Date, (ii) VRLP, VRT any Interstate Party or an Affiliate of VRLP, VRT or any Interstate Party, (iii) an Unaffiliated Qualified Manager or (iv) ALX or any Affiliate of ALX provided that (A) ALX or such Affiliate of ALX sub-contracts the management responsibilities to a Qualified Manager under clause (ii) or clause (iii) of this definition pursuant to a sub-management agreement, (B) the fees and charges payable under any such sub-management agreement do not exceed the management fees and charges payable to ALX or such Affiliate of ALX under the Management Agreement and are the sole obligation of Manager, (C) any such sub-management agreement terminates in the event of a termination of the Management Agreement, and (D) Borrower shall have no obligations or liabilities under any such sub-management agreement.

“Qualified Transferee” shall mean a transferee for whom, prior to the Transfer, Lender shall have received: (x) evidence that the proposed transferee (1) if not a public company, an institutional investor, a financial institution or a pension fund, neither it nor its Affiliate is currently under indictment or has ever been convicted of, or pled guilty or no contest to, a Patriot Act Offense or other felony, (2) is not on any Government List, (3) unless Rating Agency Confirmation is received in connection with such transferee, neither it nor a closely held affiliate has in the past five (5) years been the subject of a voluntary bankruptcy proceeding, and (4) unless Rating Agency Confirmation is received in connection with such transferee, neither it nor a closely held affiliate has in the past five (5) years been the subject of any involuntary bankruptcy proceeding which was not dismissed prior to the entry of an order for relief and (y) if the proposed transferee will obtain Control of or obtain a direct or indirect interest of ten percent (10%) or more in Borrower as a result of such proposed transfer, a reasonably satisfactory credit check and such other customary searches against such proposed transferee as reasonably requested by Lender.

“Rating Agencies” shall mean (i) prior to the Securitization of the Loan, any nationally-recognized statistical rating organization (e.g. Standard & Poor’s Ratings Services, Morningstar Credit Ratings, LLC, Moody’s Investor Service, Inc., Fitch, Inc., DBRS, Inc. or any successor thereto) and (ii) following the Securitization of the Loan, any of the rating organizations that actually rate the Securities secured by the Loan and issued in connection with the Securitization of the Loan.

“Rating Agency Confirmation” shall mean, subject to Section 10.3 hereof, a written affirmation from each of the Rating Agencies that the credit rating of the Securities by such Rating Agency immediately prior to the occurrence of the event or circumstance with respect to which such Rating Agency Confirmation is sought will not be qualified, downgraded or withdrawn as a result of the occurrence of such event, which affirmation may be granted or withheld in such Rating Agency’s sole and absolute discretion, except that if the Loan has not been the subject of a Securitization, then the matter in question shall be determined by Lender in its reasonable discretion.

“Regulation AB” shall mean Regulation AB under the Securities Act and the Exchange Act, as such Regulation may be amended from time to time.

“Regulatory Change” shall mean any change after the date of this Agreement in U.S. federal, state or foreign laws or regulations or the adoption or the making, after such date, of any interpretations, directives or requests applying to Lender, or any Person Controlling Lender or to a class of banks or companies Controlling banks of or under any federal, state or foreign laws or

regulations (whether or not having the force of law) by any court or Governmental Authority or monetary authority charged with the interpretation or administration thereof.

“Related Loan” shall mean a loan to an Affiliate of Borrower or Guarantor or secured by a Related Property, that is included in a Securitization with the Loan, and any other loan that is cross-collateralized with the Loan if such loan is required to be so treated with the Loan pursuant to Regulation AB.

“Related Property” shall mean a parcel of real property, together with improvements thereon and personal property related thereto, that is “related” within the meaning of the definition of Significant Obligor, to the Property.

“REMIC Trust” shall mean a “real estate mortgage investment conduit” within the meaning of Section 860D of the Code that holds the Note or any portion thereof.

“Rents” shall mean all rents, “additional rent” (i.e. pass-throughs for operating expenses, real estate tax escalations and/or real estate tax pass-throughs, payments by Tenants on account of electrical consumption, porters’ wage escalations, condenser water charges and tap-in fees, freight elevator and HVAC overtime charges, charges for excessive rubbish removal and other sundry charges), rent equivalents, monies payable as damages (including payments by reason of the rejection of a Lease in a bankruptcy proceeding) or in lieu of rent or rent equivalents, royalties (including all oil and gas or other mineral royalties and bonuses), income, fees, receivables, receipts, revenues, deposits (including security, utility and other deposits), accounts, cash, issues, profits, charges for services rendered, and other payment and consideration of whatever form or nature received by or paid to or for the account of or benefit of Borrower, Manager or any of their respective agents or employees from any and all sources arising from or attributable to the Property and the Improvements, including all receivables, customer obligations, installment payment obligations and other obligations now existing or hereafter arising or created out of the sale, lease, sublease, license, concession or other grant of the right of the use and occupancy of the Property or rendering of services by or on behalf of Borrower, and Insurance Proceeds, if any, from business interruption or other loss of income insurance.

“Repayment Date” shall mean the date of a prepayment of the Loan pursuant to the provisions of Section 2.4 hereof.

“Replacement Interest Rate Cap Agreement” shall mean an interest rate cap agreement from an Approved Counterparty with terms that are the same in all material respects as the terms of the Interest Rate Cap Agreement except that the same shall be effective as of (i) in connection with a replacement delivered pursuant to Section 2.6.3(c) following a downgrade, withdrawal or qualification of the long-term unsecured debt rating of the Counterparty, the date required in Section 2.6 or (ii) in connection with a replacement (or extension of the then-existing Interest Rate Cap Agreement) delivered in connection with an extension of the Maturity Date pursuant to Section 2.7, the date required in Section 2.7; provided that to the extent any such interest rate cap agreement does not meet the foregoing requirements, a Replacement Interest Rate Cap Agreement shall be such interest rate cap agreement approved in writing by Lender, and if the Loan or any portion thereof is included in a Securitization, each of the Rating Agencies with respect thereto.

“Reserve Funds” shall mean, collectively, all funds deposited by Borrower with Lender

or Deposit Bank and held in reserve pursuant to Article 6 of this Agreement.

“**Restoration**” shall mean the repair and restoration of the Property after a Casualty or Condemnation as nearly as possible to the condition the Property was in immediately prior to such Casualty or Condemnation, with such alterations as may otherwise be reasonably approved by Lender.

“**Restoration DSCR**” shall mean, as of any date of determination, the ratio, as determined by Borrower and reasonably confirmed and approved by Lender, of (a) the Net Operating Income of the Property, based on rents in place (annualized and including rental loss insurance proceeds and assuming that the Restoration has been completed) without giving effect to clause (B)(ii)(A)(w) in the definition of Gross Income and expenses on a pro forma basis for the twelve (12) months after Restoration to (b) an amount equal to the Debt Service for the twelve (12) months after the date of determination using an interest rate equal to the Strike Price.

“**S&P**” shall mean Standard & Poor’s Ratings Group, a division of the McGraw-Hill Companies.

“**Significant Obligor**” shall have the meaning set forth in Item 1101(k) of Regulation AB under the Securities Act.

“**Special Taxes**” shall mean all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“**Spread**” shall mean ninety-five (95) basis points (0.95%) per annum.

“**Spread Maintenance Period**” shall mean the period commencing on the date hereof and ending on (and excluding) the Monthly Payment Date in April, 2015 (the “**Spread Maintenance Period End Date**”).

“**Spread Maintenance Premium**” shall mean with respect to any payment or prepayment of principal (or acceleration of the Loan) during the Spread Maintenance Period, an amount equal to the product of the following: (A) the amount of such prepayment (or the amount of principal so accelerated), multiplied by (B) the Spread, multiplied by (C) a fraction (expressed as a percentage) having a numerator equal to the number of Interest Periods remaining from (and including) the Interest Period immediately following the Interest Period through which interest is being paid by Borrower in connection with such prepayment to (and excluding) the Interest Period in which the Spread Maintenance Period End Date occurs and a denominator equal to twelve (12).

“**State**” shall mean the state of New York.

“**Stated Maturity Date**” shall mean the Monthly Payment Date in March, 2017, as the same may be extended pursuant to Section 2.7 hereof.

“**Strike Price**” shall mean 6.0% per annum.

“**Survey**” shall mean a survey of the Property prepared by a surveyor licensed in the State and satisfactory to Lender and the company or companies issuing the Title Insurance Policy, and

containing a certification of such surveyor satisfactory to Lender.

“**Taxes**” shall mean all real estate and personal property taxes, assessments, water rates or sewer rents, now or hereafter levied or assessed or imposed against the Property or part thereof, together with all interest and penalties thereon.

“**Tenant**” shall mean any Person obligated by contract or otherwise to pay monies (including a percentage of gross income, revenue or profits) under any Lease now or hereafter affecting all or any part of the Property.

“**Term**” shall mean the entire term of this Agreement, which shall expire upon repayment in full of the Debt and full performance of each and every obligation to be performed by Borrower pursuant to the Loan Documents.

“**Test Period**” means, with respect to any Calculation Date, the four fiscal quarters ending on such Calculation Date.

“**Title Insurance Policy**” shall mean an ALTA mortgagee title insurance policy in the form acceptable to Lender issued with respect to the Property and insuring the Lien of the Mortgage.

“**TRIPRA**” shall mean the Terrorism Risk Insurance Program Reauthorization Act of 2007 or any extension, renewal or replacement thereof.

“**Trigger Period**” shall commence upon the occurrence of (i) an Event of Default or (ii) the commencement of a Low Debt Service Period; and shall end if, (A) with respect to a Trigger Period continuing pursuant to clause (i), the Event of Default commencing the Trigger Period has been cured and such cure has been accepted by Lender (and no other Event of Default is then continuing) or (B) with respect to a Trigger Period continuing due to clause (ii), the Low Debt Service Period has ended pursuant to the terms hereof.

“**Trustee**” shall mean any trustee holding the Loan in a Securitization.

“**Two Agency Rating Test**” means a test that is satisfied with respect to any insurance provider if it has at least two of the following: (i) a rating of A2 or better from Moody’s (or, for multi-layered policies in which such insurance provider is not providing the 75% Coverage (if four (4) or fewer insurance companies issue the Policies) or the 60% Coverage (if five (5) or more insurance companies issue the Policies), a rating of Baa2 or better by Moody’s), (ii) a rating of A or better from Fitch (or, for multi-layered policies in which such insurance provider is not providing the 75% Coverage (if four (4) or fewer insurance companies issue the Policies) or the 60% Coverage (if five (5) or more insurance companies issue the Policies), a rating of BBB or better by Fitch), (iii) a rating of A or better from S&P (or, for multi-layered policies in which such insurance provider is not providing the 75% Coverage (if four (4) or fewer insurance companies issue the Policies) or the 60% Coverage (if five (5) or more insurance companies issue the Policies), a rating of BBB or better by S&P), (iv) a rating of A:VIII or better from AM Best, and (v) a rating of A or better from DBRS (or, for multi-layered policies in which such insurance provider is not providing the 75% Coverage (if four (4) or fewer insurance companies issue the Policies) or the 60% Coverage (if five (5) or more insurance companies issue the Policies), a rating of BBB or better by DBRS).

“**UCC**” or “**Uniform Commercial Code**” shall mean the Uniform Commercial Code as in effect in the State (with respect to fixtures), the State of New York or the state in which any of the Cash Management Accounts are located, as the case may be.

“**Unaffiliated Qualified Manager**” shall mean a property manager that (A) is a management company having at least five (5) years’ experience in the management of Class A office properties in New York City or similar metropolitan areas, (B) at the time of its engagement as property manager has under management leasable square footage equal to or greater than 5,000,000 leasable square feet (excluding the Property) of office space and (C) is not the subject of a bankruptcy or similar insolvency proceeding.

“**Unit**” or “**Units**” shall mean the condominium units, together with all other real and personal property, rights, title and interest, estate and appurtenances relating thereto, created pursuant to the Condominium Documents.

“**VRLP**” means Vornado Realty L.P., a Delaware limited partnership, and its permitted successors by merger, consolidation or transfer of all or substantially all of the assets of Vornado Realty L.P., subject to any applicable terms, covenants and/or conditions of this Agreement.

“**VRT**” means Vornado Realty Trust, a Maryland real estate investment trust, and its permitted successors by merger, consolidation or transfer of all or substantially all of the assets of Vornado Realty Trust, subject to any applicable terms, covenants and/or conditions of this Agreement.

Section 1.2. **Index of Other Definitions.** the following terms are defined in the sections or Loan Documents as indicated below:

“60% Coverage” – 5.2.1

“75% Coverage” – 5.2.1

“Accounts” - 6.1

“Act” - Schedule V

“Acceptable Blanket Policy” - 5.1.1(c)

“Agreement” - Introductory Paragraph

“Approved Annual Budget” - 4.9.5(a)

“Approved Extraordinary Expenses” – 4.9.5(a)

“Available Cash” - 6.9.1

“Bloomberg Citibank Lease” – Definition of Bloomberg Lease

“Bloomberg Metrovest Lease” – Definition of Bloomberg Lease

“Bloomberg Policies” – 5.1.4

“Bona Fide Leases” – Definition of Gross Income

“Borrower” - Introductory Paragraph

“Borrower’s Recourse Liabilities” - 10.1

“Capital Expenditure Account” - 6.5.1

“Capital Expenditure Funds” - 6.5.1

“Cash Collateral Account” - 6.8

“Cash Collateral Funds” - 6.8

“Cash Management Accounts” - 6.10

“Casualty” - 5.2

“Casualty and Condemnation Account” - 6.7

"Casualty and Condemnation Funds" - 6.7
"Casualty Consultant" - 5.4(b)(iii)
"Casualty Retainage" - 5.4(b)(iv)
"Cause" - Schedule V
"Clearing Account" - 6.1
"Committee" - Schedule V
"Completion Guaranty" - Section 5.4(c)
"Componentization Notice" - 9.3.1
"Condemnation Proceeds" - 5.4(b)
"Condominium Account" - 6.2.1
"Condominium Board Policies" - 5.1.3
"Condominium Charges" - 6.2.1
"Condominium Funds" - 6.2.1
"Contest Threshold" - 4.3
"Counterparty Opinion" - 2.6.3
"Debt Service Account" - Cash Management Agreement
"Disclosure Document" - 9.2(a)
"Easements" - 3.1.11
"Eligible Control Person" - 7.1(b)
"Embargoed Person" - 4.32(c)
"Equipment" - Mortgage
"Event of Default" - 8.1
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"Exchange Act" - 9.2(a)
"Exchange Act Filing" - 9.1(d)
"Expansion Space Default" - 10.1
"First Extended Maturity Date" - 2.7.1
"First Extension Notice" - 2.7.1
"First Extension Option" - 2.7.1
"Fourth Extended Maturity Date" - 2.7.1
"Fourth Extension Notice" - 2.7.1
"Fourth Extension Option" - 2.7.1
"Government Lists" - 4.32(b)
"Gross Asset Value" - Definition of Net Worth
"Guarantor/EQO Transfer" - Definition of Permitted 731 Transfers
"Improvements" - Mortgage
"Increased Costs" - 2.9.1
"Indemnified Liabilities" - 4.30
"Independent Director" - Schedule V
"Independent Manager" - Schedule V
"Initial Interest Period" - 2.3.1
"Insurance Account" - 6.4.1
"Insurance Funds" - 6.4.1
"Insurance Premiums" - 5.1.1(b)
"Insurance Proceeds" - 5.4(b)
"Interest Period" - 2.3.2
"Interest Shortfall" - 2.4.5
"Lease Termination Payments" - 6.6.1(b)(ii)

"Leasing Agent" – Definition of Leasing Agreement
"Lender" - Introductory Paragraph
"Lender Group" - 9.2(b)(ii)
"Lending Parties" – 10.22(a)
"Liabilities" - 9.2(b)(ii)
"Licenses" - 3.1.9
"Nationally Recognized Service Company" - Schedule V
"Net Proceeds" - 5.4(b)
"Net Proceeds Deficiency" - 5.4(b)(vi)
"Note" - 2.1.3
"Note Component" – 9.3.1
"Notice" - 10.6
"OFAC" - 4.32(b)
"Other Taxes" - 2.9.3
"Otherwise Rated Insurer" – 5.1.2
"Patriot Act Offense" - 4.32(b)
"Permitted Indebtedness" – 4.21
"Permitted Investments" - Cash Management Agreement
"Permitted Transfer" - 7.2
"Permitted Transfer Date" – 7.1(a)
"PML" - 5.1.1(a)
"Policies" - 5.1.1(b)
"Provided Information" - 9.1(b)(i)
"Public Securitization" - 9.1(d)
"Qualified Carrier" - 5.1.1(i)
"Rate Cap Collateral" - 2.6.2
"Rent Roll" – 3.1.17
"Review Waiver" - 10.3(b)
"Rollover Account" - 6.6.1(a)
"Rollover Funds" - 6.6.1(a)
"Second Extended Maturity Date" - 2.7.1
"Second Extension Notice" - 2.7.1
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"Secondary Market Transaction" - 9.1(a)
"Securities" - 9.1(a)
"Securities Act - 9.2(a)
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"Servicer" - 10.21
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"Severed Loan Documents" - 8.2(b)
"Sole Member" - Schedule V
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"Special Purpose Bankruptcy Remote Entity" - Schedule V
"Spread Maintenance Period End Date" – Definition of Spread Maintenance Period
"Springing Recourse Event" - 10.1
"Standard Form of Lease" - 4.11.2
"Succeeding Interest Period" - 2.4.5
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"Tax Funds" - 6.3.1
"Terrorism Premium Cap" - 5.1.1(i)
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"Total Liabilities" - Definition of Net Worth
"Transfer" - 4.2
"Transfer and Assumption" - 7.1(a)
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"Underwriter Group" - 9.2(b)(ii)

Section 1.3. **Principles of Construction.** All references to sections and schedules are to sections and schedules in or to this Agreement unless otherwise specified. Unless otherwise specified, the words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement or any other Loan Document shall refer to this Agreement or such other Loan Document as a whole and not to any particular provision hereof or thereof. When used in this Agreement or any other Loan Document, the word "including" shall mean "including but not limited to". Unless otherwise specified, all meanings attributed to defined terms herein shall be equally applicable to both the singular and plural forms of the terms so defined.

II.

THE LOAN

Section 2.1. **The Loan.**

2.1.1 **Agreement to Lend and Borrow.** Subject to and upon the terms and conditions set forth herein, Lender shall make the Loan to Borrower and Borrower shall accept the Loan from Lender on the Closing Date.

2.1.2 **Single Disbursement to Borrower.** Borrower shall receive only one borrowing hereunder in respect of the Loan and any amount borrowed and repaid hereunder in respect of the Loan may not be reborrowed.

2.1.3 **The Note.** The Loan shall be evidenced by that certain Consolidated, Amended and Restated Promissory Note of even date herewith, in the stated principal amount of \$300,000,000, executed by Borrower and payable to the order of Lender in evidence of the Loan (as the same may hereafter be amended, supplemented, restated, increased, extended or consolidated from time to time, the "*Note*") and shall be repaid in accordance with the terms of this Agreement, the Note and the other Loan Documents.

2.1.4 **Use of Proceeds.** Borrower shall use proceeds of the Loan to pay and discharge (or cause the assignment to Lender of) the Prior Loan.

Section 2.2. **Interest Rate.**

2.2.1 **Interest Rate.**

(a) Interest on the Outstanding Principal Balance shall accrue throughout the Term at the Interest Rate.

(b) Subject to the terms and conditions hereof, the Loan shall be a LIBOR Loan. In the event that Lender shall have reasonably determined (which determination shall be conclusive and binding upon Borrower absent manifest error) that by reason of circumstances affecting the interbank Eurodollar market, adequate and reasonable means do not exist for ascertaining LIBOR, in accordance with the defined term thereof, then Lender shall forthwith give notice by telephone of such determination, confirmed in writing, to Borrower at least one (1) Business Day prior to the next succeeding Interest Determination Date. If such notice is given, the Loan shall be converted, as of the first day of the next succeeding Interest Period, to a Prime Rate Loan. Notwithstanding any provision of this Agreement to the contrary, in no event shall Borrower have the right to convert a LIBOR Loan to a Prime Rate Loan.

(c) If, pursuant to the terms hereof, the Loan has been converted to a Prime Rate Loan and Lender shall reasonably determine (which determination shall be conclusive and binding upon Borrower absent manifest error) that the event(s) or circumstance(s) which resulted in such conversion shall no longer be applicable, Lender shall give notice by telephone of such determination, confirmed in writing, to Borrower at least one (1) Business Day prior to the next succeeding Interest Determination Date. If such notice is given, the Loan shall be converted, as of the first day of the next succeeding Interest Period, to a LIBOR Loan. Notwithstanding any provision of this Agreement to the contrary (but subject to Lender's obligations under this Section 2.2.1(c)), in no event shall Borrower have the right to convert a Prime Rate Loan to a LIBOR Loan.

(d) If the adoption of any requirement of law or any change therein or in the interpretation or application thereof, shall hereafter make it unlawful for Lender to maintain a LIBOR Loan as contemplated hereunder, (i) the obligation of Lender hereunder to make or maintain a LIBOR Loan or to convert a Prime Rate Loan to a LIBOR Loan shall be canceled forthwith and (ii) any outstanding LIBOR Loan shall be converted automatically to a Prime Rate Loan on the first day of the next succeeding Interest Period, or upon such earlier date as may be required by law.

2.2.2 **Default Rate.** In the event that, and for so long as, any Event of Default shall have occurred and be continuing, the Outstanding Principal Balance and, to the extent not prohibited by applicable law, all other portions of the Debt, shall accrue interest at the Default Rate, calculated from the date such payment was due or such Default shall have occurred without regard to any grace or cure periods contained herein (but for avoidance of doubt, no Default Interest shall be payable due to the occurrence of a Default for which a cure period is provided herein if such Default is cured during such cure period). Interest at the Default Rate shall be paid immediately upon demand, which demand may be made as frequently as Lender shall elect, to the extent not prohibited by applicable law.

2.2.3 **Interest Calculation.** Interest on the Outstanding Principal Balance (or portion thereof allocable to a Note Component) shall be calculated by multiplying (A) the actual number of days elapsed in the period for which the calculation is being made by (B) a daily rate based on a three hundred sixty (360) day year (that is, the Interest Rate or Note Component interest rate expressed as an annual rate divided by 360) by (C) the Outstanding Principal Balance (or portion thereof allocable to such Note Component). The accrual period for

calculating interest due on each Monthly Payment Date shall be the Interest Period immediately prior to such Monthly Payment Date.

2.2.4 **Usury Savings.** This Agreement and the other Loan Documents are subject to the express condition that at no time shall Borrower be required to pay interest on the Outstanding Principal Balance at a rate which could subject Lender to either civil or criminal liability as a result of being in excess of the Maximum Legal Rate. If by the terms of this Agreement or the other Loan Documents, Borrower is at any time required or obligated to pay interest on the Outstanding Principal Balance at a rate in excess of the Maximum Legal Rate, the Interest Rate shall be deemed to be immediately reduced to the Maximum Legal Rate and all previous payments in excess of the Maximum Legal Rate shall be deemed to have been payments in reduction of principal (without premium or penalty) and not on account of the interest due hereunder. All sums paid or agreed to be paid to Lender for the use, forbearance, or detention of the sums due under the Loan, shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full stated term of the Loan until payment in full so that the rate or amount of interest on account of the Loan does not exceed the Maximum Legal Rate from time to time in effect and applicable to the Loan for so long as the Loan is outstanding.

Section 2.3. **Loan Payments.**

2.3.1 **Payments.** On the date hereof, Borrower shall pay interest on the unpaid Principal from the date hereof through and include March 14, 2014 (the "**Initial Interest Period**"). On April 11, 2014 and each Monthly Payment Date thereafter during the Term (until the Loan has been repaid in full), Borrower shall pay interest on the unpaid principal of the Loan accruing through the last day of the Interest Period in which such Monthly Payment Date occurs. Borrower shall also pay to Lender all amounts to the extent required in respect of Reserve Funds pursuant to Article 6 hereof.

2.3.2 **Payments Generally.** After the Initial Interest Period, each interest accrual period thereafter (each, an "**Interest Period**") shall commence on the fifteenth (15th) calendar day of a calendar month and end on (and include) the fourteenth (14th) calendar day of the following calendar month. For purposes of making payments hereunder, but not for purposes of calculating interest accrual periods, if the day on which such payment is due is not a Business Day, then amounts due on such date shall be due on the immediately preceding Business Day. With respect to payments of principal due on the Maturity Date, interest shall be payable at the Interest Rate, through and including the last day of the Interest Period in which such Maturity Date occurs. All amounts due pursuant to this Agreement and the other Loan Documents shall be payable without setoff, counterclaim, defense or any other deduction whatsoever.

2.3.3 **Payment on Maturity Date.** Borrower shall pay to Lender on the Maturity Date the Outstanding Principal Balance, all accrued and unpaid interest and all other amounts due hereunder and under the Note, the Mortgage and the other Loan Documents.

2.3.4 **Late Payment Charge.** If any principal (if any), interest or any other sum due under the Loan Documents (other than the Outstanding Principal Balance due and payable on the Maturity Date) is not paid by Borrower on or before the date on which it is due (or if such day is not a Business Day, and such payment is principal or interest, then the immediately preceding Business Day, or if such payment is a sum other than principal or interest, then the

immediately succeeding Business Day), Borrower shall pay to Lender upon demand an amount equal to the lesser of three percent (3%) of such unpaid sum or the maximum amount permitted by applicable law in order to defray the expense incurred by Lender in handling and processing such delinquent payment and to compensate Lender for the loss of the use of such delinquent payment. Any such amount shall be secured by the Mortgage and the other Loan Documents to the extent permitted by law.

2.3.5 **Method and Place of Payment.** Except as otherwise specifically provided herein, all payments and prepayments under this Agreement and the Note shall be made to Lender not later than 2:00 p.m., New York City time, on the date when due and shall be made in lawful money of the United States of America in immediately available funds at Lender's office or at such other place as Lender shall from time to time designate, and any funds received by Lender after such time shall, for all purposes hereof, be deemed to have been paid on the next succeeding Business Day.

Section 2.4. **Prepayments.**

2.4.1 **Prepayments.** Except as otherwise provided herein, Borrower shall not have the right to prepay the Loan in whole or in part prior to the Stated Maturity Date.

2.4.2 **Voluntary Prepayments.** Borrower shall have the right to prepay the Outstanding Principal Balance in whole (or in whole or in part, if such prepayment is made after the Spread Maintenance Period) upon satisfaction of the following conditions:

- (a) prepayment shall occur on a Business Day;
- (b) Borrower shall deliver to Lender a Prepayment Notice;
- (c) a prepayment made during the Spread Maintenance Period shall be for the entire Outstanding Principal Balance, and a prepayment made after the Spread Maintenance Period may be made for all or a portion of the Outstanding Principal Balance; and
- (d) Borrower shall comply with the provisions set forth in Section 2.4.5.

2.4.3 **Prepayments in Connection with a Casualty or Condemnation.** If Lender is not obligated to make Net Proceeds available to Borrower for Restoration, on the next occurring Monthly Payment Date following the date on which (a) Lender actually receives any Net Proceeds, and (b) Lender has determined that such Net Proceeds shall be applied against the Debt (to the extent that Lender is permitted to make such determination in accordance with the terms hereof), Borrower shall prepay, or authorize Lender to apply Net Proceeds as a prepayment of, the Debt in an amount equal to one hundred percent (100%) of such Net Proceeds (or such lesser amount as shall be required to prepay the Debt in full), without payment of the Spread Maintenance Premium or any other prepayment premium, penalty or fee. Additionally, in the event that thirty-five percent (35%) or more of rentable square footage of the Property is subject to a Casualty or Condemnation and Lender is not required to, and does not, make the Net Proceeds available to Borrower for restoration pursuant to the terms hereof, Borrower shall have the right to prepay the Outstanding Principal Balance without payment of the Spread Maintenance Premium or any other prepayment premium, penalty or fee, within one hundred

twenty (120) days of Lender's notice to Borrower that Net Proceeds will not be made available to Borrower for restoration. Any such prepayment shall be subject to delivery of a Prepayment Notice (which notice shall be revocable at any time, provided that Borrower shall pay any actual reasonable out-of-pocket expenses incurred by Lender in connection with such revocation and/or adjournment) and shall be deemed rescinded if Lender notifies Borrower, subsequent to the delivery of the Prepayment Notice and prior to the date of prepayment, that Lender will make Net Proceeds available to Borrower pursuant to the terms hereof. Borrower shall also pay interest that would have accrued through the end of the Interest Period in which such prepayment occurs, and the Interest Shortfall, if applicable, with respect to the amount prepaid. Except during an Event of Default, all such Net Proceeds and any such prepayment shall be applied by Lender as follows in the following order of priority: *First*, to all amounts (other than principal and interest) then due and payable under the Loan Documents, including any costs and expenses of Lender in connection with such prepayment; *Second*, accrued and unpaid interest at the Interest Rate; and *Third*, to principal. Notwithstanding anything herein to the contrary, no Spread Maintenance Premium or any other prepayment premium, penalty or fee shall be due in connection with any prepayment made pursuant to this [Section 2.4.3](#).

2.4.4 Prepayments After Default. If, concurrently with the occurrence of an Event of Default or if an Event of Default is then continuing, payment of all or any part of the Debt is tendered by Borrower, a purchaser at a foreclosure sale of the Property, or any other Person and is accepted by Lender or is otherwise recovered by Lender (including through application of any Reserve Funds following maturity or acceleration of the Loan), (a) such tender or recovery shall be deemed to be an attempt to circumvent the prohibition against prepayment set forth herein, and (b) Borrower shall pay, as part of the Debt, all of: (i) all accrued interest calculated at the Interest Rate on the amount of principal being repaid through and including the date of such repayment together with an amount equal to the interest that would have accrued at the Interest Rate on the amount of principal being repaid through the end of the Interest Period in which such repayment occurs, notwithstanding that such Interest Period extends beyond the date of repayment, (ii) the Interest Shortfall, if applicable, with respect to the amount prepaid, and (iii) an amount equal to the Spread Maintenance Premium (if made during the Spread Maintenance Period).

2.4.5 Prepayment/Repayment Conditions.

(a) On the date on which a prepayment, voluntary or mandatory, is made under the Note or as required under this Agreement, which date must be a Business Day, Borrower shall pay to Lender:

(i) all accrued and unpaid interest calculated at the Interest Rate on the amount of principal being repaid through and including the Repayment Date together with an amount equal to the interest that would have accrued at the Interest Rate on the amount of principal being repaid through the end of the Interest Period in which such prepayment occurs, notwithstanding that such Interest Period extends beyond the date of prepayment;

(ii) if such prepayment is made during the period from and including the first day after a Monthly Payment Date through and including the last day of the Interest Period in which such prepayment occurs, all interest on the principal amount being repaid which would have accrued from the first day of the Interest Period

immediately following the Interest Period in which the prepayment occurs (the "**Succeeding Interest Period**") through and including the end of the Succeeding Interest Period, calculated at (A) the Interest Rate if such prepayment occurs on or after the Interest Determination Date for the Succeeding Interest Period or (B) the Assumed Note Rate if such prepayment occurs before the Interest Determination Date for the Succeeding Interest Period (the "**Interest Shortfall**");

(iii) the Spread Maintenance Premium applicable thereto (if such prepayment occurs during the Spread Maintenance Period), except where this Agreement expressly provides that no Spread Maintenance Premium is due with respect to such prepayment; and

(iv) all other sums, then due under the Note, this Agreement, the Mortgage, and the other Loan Documents.

(b) If the Interest Shortfall was calculated based upon the Assumed Note Rate, upon determination of LIBOR on the Interest Determination Date for the Succeeding Interest Period, (i) if the Interest Rate for such Succeeding Interest Period is less than the Assumed Note Rate, Lender shall promptly refund to Borrower the amount of the Interest Shortfall paid, calculated at a rate equal to the difference between the Assumed Note Rate and the Interest Rate for such Interest Period, or (ii) if the Interest Rate is greater than the Assumed Note Rate, Borrower shall promptly (and in no event later than the eleventh (11th) day of the following month) pay Lender the amount of such additional Interest Shortfall calculated at a rate equal to the by which Interest Rate exceeds the Assumed Note Rate.

(c) Borrower shall pay all reasonable out-of-pocket costs and expenses of Lender incurred in connection with the repayment or prepayment (including without limitation, any costs and expenses associated with a release of the Lien of the Mortgage as set forth in Section 2.5 below and reasonable attorneys' fees and expenses).

Section 2.5. **Release of Property.**

(a) Lender shall, upon written request, upon payment in full of the Debt in accordance with the terms and provisions of the Loan Documents, release the Lien of the Mortgage. In connection with the release of the Lien, Borrower shall submit to Lender, not less than ten (10) days prior to the Repayment Date, a release of Lien (and related Loan Documents) for execution by Lender. Such release shall be in a form appropriate in the jurisdiction in which the Property is located. Borrower shall pay all out-of-pocket costs, taxes and expenses associated with the release of the Lien of the Mortgage, including the Lender's reasonable out-of-pocket costs and expenses (including reasonable attorneys' fees) incurred in connection with same.

(b) Notwithstanding the foregoing, if Borrower advises Lender that it desires to effectuate the consequences to Lender of a repayment or prepayment in a manner which will permit the assignment of the Note and the Mortgage to a new lender providing the repayment or prepayment funds, then Lender shall (i) assign the Mortgage and all of the other Loan Documents to any Person designated by Borrower, which assignment documents shall be in recordable form (but without representation or warranty by, or recourse to, Lender, except as to the outstanding principal balance of the Loan and that Lender owns the Note and Mortgage free

of any liens and encumbrances and has the authority to effect the assignment), (ii) deliver to or as directed by Borrower the originally executed Note and all originally executed other notes which may have been consolidated, amended and/or restated in connection with the execution of the Note or, with respect to any note where the original has been lost, destroyed or mutilated, a lost note affidavit for the benefit of the assignee lender and the title insurance company insuring the Mortgage, as assigned, in form sufficient to permit such title insurance company to insure the lien of the Mortgage as assigned to and held by the assignee without exception for any matter relating to the lost, destroyed or mutilated note, (iii) execute and deliver an allonge with respect to the Note and any other note(s) as described in the preceding clause (ii) above without recourse, covenant or warranty of any nature, express or implied (except as to the outstanding principal balance of the Loan and that Lender owns the Note and the Mortgage free of any liens and encumbrances and has the authority to execute and deliver the allonge), (iv) deliver the original executed Mortgage or a certified copy of record, and (v) execute and deliver such other instruments of conveyance, assignment, termination, severance and release (including appropriate UCC-3 termination statements) in recordable form as may reasonably be requested by Borrower to evidence such assignment. All reasonable out-of-pocket costs and expenses (including reasonable attorneys' fees and disbursements) incurred by Lender in connection with the foregoing shall be paid by Borrower, provided, that in no event shall Borrower be required to pay any fee or premium to the Lender or the Servicer in connection therewith.

Section 2.6. **Interest Rate Cap Agreement.**

2.6.1 **Interest Rate Cap Agreement.** Prior to or contemporaneously with the Closing Date, Borrower shall have obtained, and thereafter maintain in effect, the Interest Rate Cap Agreement, which shall have a term expiring no earlier than the last day of the Interest Period in which the Stated Maturity Date occurs and have a notional amount which shall not at any time be less than the Outstanding Principal Balance. The Interest Rate Cap Agreement shall have a strike rate equal to the Strike Price.

2.6.2 **Pledge and Collateral Assignment.** As security for the full and punctual payment and performance of the Obligations when due (whether upon stated maturity, by acceleration early termination or otherwise), Borrower, as pledgor, hereby pledges, assigns, hypothecates, transfers and delivers to Lender as collateral and hereby grants to Lender a continuing first priority lien on and security interest in, to and under all of the following whether now owned or hereafter acquired and whether now existing or hereafter arising (the "***Rate Cap Collateral***"): all of the right, title and interest of Borrower in and to (i) the Interest Rate Cap Agreement; (ii) all payments, distributions, disbursements or proceeds due, owing, payable or required to be delivered to Borrower in respect of the Interest Rate Cap Agreement or arising out of the Interest Rate Cap Agreement, whether as contractual obligations, damages or otherwise; and (iii) all of Borrower's claims, rights, powers, privileges, authority, options, security interests, liens and remedies, if any, under or arising out of the Interest Rate Cap Agreement, in each case including all accessions and additions to, substitutions for and replacements, products and proceeds of any or all of the foregoing.

2.6.3 **Covenants.**

(a) Borrower shall comply with all of its obligations under the terms and provisions of the Interest Rate Cap Agreement in all material respects. All amounts paid by the Counterparty under the Interest Rate Cap Agreement to Borrower or Lender shall be deposited

immediately into the Clearing Account pursuant to Section 6.1. Borrower shall take all actions reasonably requested by Lender to enforce Borrower's rights under the Interest Rate Cap Agreement in the event of a default by the Counterparty thereunder and shall not waive, amend or otherwise modify any of its rights thereunder without the approval of Lender.

(b) Borrower shall use commercially reasonable efforts to defend Lender's right, title and interest in and to the Rate Cap Collateral pledged by Borrower pursuant hereto or in which it has granted a security interest pursuant hereto against the claims and demands of all other Persons.

(c) In the event of any downgrade, withdrawal or qualification of the rating of the Counterparty such that it ceases to qualify as an "Approved Counterparty", unless the Counterparty shall have posted collateral on terms acceptable to each Rating Agency, Borrower shall replace the Interest Rate Cap Agreement with a Replacement Interest Rate Cap Agreement not later than ten (10) Business Days following receipt of notice from Lender of such downgrade, withdrawal or qualification. In the event that the Counterparty is downgraded below "BBB+" by S&P or Fitch or below "Baa1" by Moody's, a Replacement Interest Rate Cap Agreement shall be required regardless of the posting of collateral.

(d) In the event that Borrower fails to purchase and deliver to Lender the Interest Rate Cap Agreement as and when required hereunder, Lender may purchase the Interest Rate Cap Agreement and the cost incurred by Lender in purchasing the Interest Rate Cap Agreement shall be paid by Borrower to Lender with interest thereon at the Default Rate from the date such cost was incurred by Lender until such cost is paid by Borrower to Lender.

(e) Borrower shall not sell, assign, or otherwise dispose of, or mortgage, pledge or grant a security interest in, any of the Rate Cap Collateral or any interest therein, and any sale, assignment, mortgage, pledge or security interest whatsoever made in violation of this covenant shall be a nullity and of no force and effect, and upon demand of Lender, shall forthwith be cancelled or satisfied by an appropriate instrument in writing.

(f) Borrower shall not (i) without the prior written consent of Lender, modify, amend or supplement the terms of the Interest Rate Cap Agreement, (ii) without the prior written consent of Lender, except in accordance with the terms of the Interest Rate Cap Agreement, cause the termination of the Interest Rate Cap Agreement prior to its stated maturity date, (iii) without the prior written consent of Lender, except as aforesaid, waive or release any obligation of the Counterparty (or any successor or substitute party to the Interest Rate Cap Agreement) under the Interest Rate Cap Agreement, (iv) without the prior written consent of Lender, consent or agree to any act or omission to act on the part of the Counterparty (or any successor or substitute party to the Interest Rate Cap Agreement) which, without such consent or agreement, would constitute a default under the Interest Rate Cap Agreement, (v) fail to exercise promptly and diligently each and every material right which it may have under the Interest Rate Cap Agreement, (vi) take or intentionally omit to take any action or intentionally suffer or permit any action to be omitted or taken, the taking or omission of which would result in any right of offset against sums payable under the Interest Rate Cap Agreement or any defense by the Counterparty (or any successor or substitute party to the Interest Rate Cap Agreement) to payment or (vii) fail to give prompt notice to Lender of any notice of default given by or to Borrower under or with respect to the Interest Rate Cap Agreement, together with a complete copy of such notice. If Borrower shall have received written notice that the Securitization shall have occurred, no

consent by Lender provided for in this Section 2.6.3(f) shall be given by Lender unless Lender shall have received a Rating Agency Confirmation.

(g) In connection with an Interest Rate Cap Agreement, Borrower shall obtain and deliver to Lender an opinion of counsel from counsel for the Counterparty (which counsel may be in-house counsel for the Counterparty) upon which Lender and its successors and assigns may rely (the “**Counterparty Opinion**”), under New York law and, if the Counterparty is a non-U.S. entity, the applicable foreign law, which shall provide in relevant part, that: (i) the issuer is duly organized, validly existing, and in good standing under the laws of its jurisdiction of incorporation and has the organizational power and authority to execute and deliver, and to perform its obligations under, the Interest Rate Cap Agreement; (ii) the execution and delivery of the Interest Rate Cap Agreement by the issuer, and any other agreement which the issuer has executed and delivered pursuant thereto, and the performance of its obligations thereunder have been and remain duly authorized by all necessary action and do not contravene any provision of its certificate of incorporation or bylaws (or equivalent organizational documents) or any law, regulation or contractual restriction binding on or affecting it or its property; (iii) all consents, authorizations and approvals required for the execution and delivery by the issuer of the Interest Rate Cap Agreement, and any other agreement which the issuer has executed and delivered pursuant thereto, and the performance of its obligations thereunder have been obtained and remain in full force and effect, all conditions thereof have been duly complied with, and no other action by, and no notice to or filing with any governmental authority or regulatory body is required for such execution, delivery or performance; and (iv) the Interest Rate Cap Agreement, and any other agreement which the issuer has executed and delivered pursuant thereto, has been duly executed and delivered by the issuer and constitutes the legal, valid and binding obligation of the issuer, enforceable against the issuer in accordance with its terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors’ rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law). Notwithstanding the foregoing, Lender agrees that an opinion of counsel in substantially the form of the Counterparty Opinion delivered in connection with the initial Interest Rate Cap Agreement shall be acceptable.

2.6.4 **Powers of Borrower Prior to an Event of Default.** Subject to the provisions of Section 2.6.3(a), provided no Event of Default has occurred and is continuing, Borrower shall be entitled to exercise all rights, powers and privileges of Borrower under, and to control the prosecution of all claims with respect to, the Interest Rate Cap Agreement and the other Rate Cap Collateral.

2.6.5 **Representations and Warranties.** Borrower hereby covenants with, and represents and warrants to, Lender as follows:

(a) The Interest Rate Cap Agreement constitutes the legal, valid and binding obligation of Borrower, enforceable against Borrower in accordance with its terms, subject only to applicable bankruptcy, insolvency and similar laws affecting rights of creditors generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

(b) The Rate Cap Collateral is free and clear of all claims or security interests of every nature whatsoever, except such as are created pursuant to this Agreement and the other Loan Documents, and Borrower has the right to pledge and grant a security interest in the same

as herein provided without the consent of any other Person other than any such consent that has been obtained and is in full force and effect.

(c) The Rate Cap Collateral has been duly and validly pledged hereunder. All consents and approvals required to be obtained by Borrower for the consummation of the transactions contemplated by this Agreement have been obtained.

(d) Giving effect to the aforesaid grant and assignment to Lender, Lender has, as of the date of this Agreement, and as to Rate Cap Collateral acquired from time to time after such date, shall have, a valid, and upon proper filing, perfected and continuing first priority lien upon and security interest in the Rate Cap Collateral; provided that no representation or warranty is made with respect to the perfected status of the security interest of Lender in the proceeds of Rate Cap Collateral consisting of "cash proceeds" or "non-cash proceeds" as defined in the UCC except if, and to the extent, the provisions of Section 9-306 of the UCC shall be complied with.

(e) Except for financing statements filed or to be filed in favor of Lender as secured party, there are no financing statements under the UCC covering any or all of the Rate Cap Collateral and Borrower shall not, without the prior written consent of Lender, until payment in full of all of the Obligations, execute and file in any public office, any enforceable financing statement or statements covering any or all of the Rate Cap Collateral, except financing statements filed or to be filed in favor of Lender as secured party.

2.6.6 **Payments.** If Borrower at any time shall be entitled to receive any payments with respect to the Interest Rate Cap Agreement, Borrower shall direct Counterparty to deposit such amounts immediately upon becoming payable to Borrower into the Clearing Account.

2.6.7 **Remedies.** Subject to the provisions of the Interest Rate Cap Agreement, if an Event of Default shall occur and then be continuing:

(a) Lender, without obligation to resort to any other security, right or remedy granted under any other agreement or instrument, shall have the right to, in addition to all rights, powers and remedies of a secured party pursuant to the UCC, at any time and from time to time, sell, resell, assign and deliver, in its sole discretion, any or all of the Rate Cap Collateral (in one or more parcels and at the same or different times) and all right, title and interest, claim and demand therein and right of redemption thereof, at public or private sale, for cash, upon credit or for future delivery, and in connection therewith Lender may grant options and may impose reasonable conditions such as requiring any purchaser to represent that any "securities" constituting any part of the Rate Cap Collateral are being purchased for investment only, Borrower hereby waiving and releasing any and all equity or right of redemption to the fullest extent permitted by the UCC or applicable law. If all or any of the Rate Cap Collateral is sold by Lender upon credit or for future delivery, Lender shall not be liable for the failure of the purchaser to purchase or pay for the same and, in the event of any such failure, Lender may resell such Rate Cap Collateral. It is expressly agreed that Lender may exercise its rights with respect to less than all of the Rate Cap Collateral, leaving unexercised its rights with respect to the remainder of the Rate Cap Collateral, provided, however, that such partial exercise shall in no way restrict or jeopardize Lender's right to exercise its rights with respect to all or any other portion of the Rate Cap Collateral at a later time or times.

(b) Lender may exercise, either by itself or by its nominee or designee, in the name of Borrower, all of Lender's rights, powers and remedies in respect of the Rate Cap Collateral, hereunder and under law.

(c) Borrower hereby irrevocably, in the name of Borrower or otherwise, authorizes and empowers Lender and assigns and transfers unto Lender, and constitutes and appoints Lender its true and lawful attorney-in-fact, and as its agent, irrevocably, with full power of substitution for Borrower and in the name of Borrower, (i) to exercise and enforce every right, power, remedy, authority, option and privilege of Borrower under the Interest Rate Cap Agreement, including any power to subordinate or modify the Interest Rate Cap Agreement (but not, unless an Event of Default exists and is continuing, the right to terminate or cancel the Interest Rate Cap Agreement), or to give any notices, or to take any action resulting in such subordination, termination, cancellation or modification and (ii) in order to more fully vest in Lender the rights and remedies provided for herein, to exercise all of the rights, remedies and powers granted to Lender in this Agreement, and Borrower further authorizes and empowers Lender, as Borrower's attorney-in-fact, and as its agent, irrevocably, with full power of substitution for Borrower and in the name of Borrower, to give any authorization, to furnish any information, to make any demands, to execute any instruments and to take any and all other action on behalf of and in the name of Borrower which in the opinion of Lender may be reasonably necessary or appropriate to be given, furnished, made, exercised or taken under the Interest Rate Cap Agreement, in order to comply therewith, to perform the conditions thereof or to prevent or remedy any default by Borrower thereunder or to enforce any of the rights of Borrower thereunder. These powers-of-attorney are irrevocable and coupled with an interest, and any similar or dissimilar powers heretofore given by Borrower in respect of the Rate Cap Collateral to any other Person are hereby revoked.

(d) Lender may, without notice to, or assent by, Borrower or any other Person (to the extent permitted by law), but without affecting any of the Obligations, in the name of Borrower or in the name of Lender, notify the Counterparty, or if applicable, any other counterparty to the Interest Rate Cap Agreement, to make payment and performance directly to Lender; extend the time of payment and performance of, compromise or settle for cash, credit or otherwise, and upon any terms and conditions, any obligations owing to Borrower, or claims of Borrower, under the Interest Rate Cap Agreement; file any claims, commence, maintain or discontinue any actions, suits or other proceedings deemed by Lender necessary or advisable for the purpose of collecting upon or enforcing the Interest Rate Cap Agreement; and execute any instrument and do all other things deemed necessary and proper by Lender to protect and preserve and realize upon the Rate Cap Collateral and the other rights contemplated hereby.

(e) Pursuant to the powers-of-attorney provided for above, Lender may take any action and exercise and execute any instrument which it may deem reasonably necessary or advisable to accomplish the purposes hereof; provided, however, that Lender shall not be permitted to take any action pursuant to said power-of-attorney that would conflict with any limitation on Lender's rights with respect to the Rate Cap Collateral. Without limiting the generality of the foregoing, Lender, after the occurrence of an Event of Default, shall have the right and power to receive, endorse and collect all checks and other orders for the payment of money made payable to Borrower representing: (i) any payment of obligations owed pursuant to the Interest Rate Cap Agreement, (ii) interest accruing on any of the Rate Cap Collateral or (iii) any other payment or distribution payable in respect of the Rate Cap Collateral or any part

thereof, and for and in the name, place and stead of Borrower, to execute endorsements, assignments or other instruments of conveyance or transfer in respect of any property which is or may become a part of the Rate Cap Collateral hereunder.

(f) Lender may exercise all of the rights and remedies of a secured party under the UCC.

(g) Without limiting any other provision of this Agreement or any of Borrower's rights hereunder, and without waiving or releasing Borrower from any obligation or default hereunder, Lender shall have the right, but not the obligation, to perform any act or take any appropriate action, as it, in its reasonable judgment, may deem necessary to protect the security of this Agreement, to cure such Event of Default or to cause any term, covenant, condition or obligation required under this Agreement or the Interest Rate Cap Agreement to be performed or observed by Borrower to be promptly performed or observed on behalf of Borrower. All amounts advanced by, or on behalf of, Lender in exercising its rights under this Section 2.6.7(g) (including, but not limited to, reasonable out-of-pocket legal expenses and disbursements incurred in connection therewith), together with interest thereon at the Default Rate from the date of each such advance, shall be payable by Borrower to Lender upon demand and shall be secured by this Agreement.

2.6.8 Sales of Rate Cap Collateral. No demand, advertisement or notice, all of which are, to the fullest extent permitted by law, hereby expressly waived by Borrower, shall be required in connection with any sale or other disposition of all or any part of the Rate Cap Collateral, except that Lender shall give Borrower at least thirty (30) Business Days' prior written notice of the time and place of any public sale or of the time when and the place where any private sale or other disposition is to be made, which notice Borrower hereby agrees is reasonable, all other demands, advertisements and notices being hereby waived. To the extent permitted by law, Lender shall not be obligated to make any sale of the Rate Cap Collateral if it shall determine not to do so, regardless of the fact that notice of sale may have been given, and Lender may without notice or publication adjourn any public or private sale, and such sale may, without further notice, be made at the time and place to which the same was so adjourned. Upon each private sale of the Rate Cap Collateral of a type customarily sold in a recognized market and upon each public sale, unless prohibited by any applicable statute which cannot be waived, Lender (or its nominee or designee) may purchase any or all of the Rate Cap Collateral being sold, free and discharged from any trusts, claims, equity or right of redemption of Borrower, all of which are hereby waived and released to the extent permitted by law, and may make payment therefor by credit against any of the Obligations in lieu of cash or any other obligations. In the case of all sales of the Rate Cap Collateral, public or private, Borrower shall pay all reasonable costs and expenses of every kind for sale or delivery, including brokers' and attorneys' fees and disbursements and any tax imposed thereon. However, the proceeds of sale of Rate Cap Collateral shall be available to cover such costs and expenses, and, after deducting such costs and expenses from the proceeds of sale, Lender shall apply any residue to the payment of the Obligations in the order of priority as set forth in this Agreement.

2.6.9 Public Sales Not Possible. Borrower acknowledges that the terms of the Interest Rate Cap Agreement may prohibit public sales, that the Rate Cap Collateral may not be of the type appropriately sold at public sales, and that such sales may be prohibited by law. In light of these considerations, Borrower agrees that private sales of the Rate Cap Collateral shall not be

deemed to have been made in a commercially unreasonable manner by mere virtue of having been made privately.

2.6.10 **Receipt of Sale Proceeds.** Upon any sale of the Rate Cap Collateral by Lender hereunder (whether by virtue of the power of sale herein granted, pursuant to judicial process or otherwise), the receipt by Lender or the officer making the sale or the proceeds of such sale shall be a sufficient discharge to the purchaser or purchasers of the Rate Cap Collateral so sold, and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to Lender or such officer or be answerable in any way for the misapplication or non-application thereof.

2.6.11 **Replacement Interest Rate Cap Agreement.** If, in connection with Borrower's exercise of any Extension Option pursuant to Section 2.7 hereof, Borrower delivers a Replacement Interest Rate Cap Agreement, all the provisions of this Section 2.6 applicable to the Interest Rate Cap Agreement delivered on the Closing Date shall be applicable to the Replacement Interest Rate Cap Agreement.

Section 2.7. **Extension Options.**

2.7.1 **Extension Options.** Subject to the provisions of this Section 2.7, Borrower shall have the option (the "*First Extension Option*"), by written notice (the "*First Extension Notice*") delivered to Lender no later than fifteen (15) days prior to the Stated Maturity Date, to extend the Maturity Date to March 11, 2018 (the "*First Extended Maturity Date*"). In the event Borrower shall have exercised the First Extension Option, Borrower shall have the option (the "*Second Extension Option*"), by written notice (the "*Second Extension Notice*") delivered to Lender no later than fifteen (15) days prior to the First Extended Maturity Date, to extend the First Extended Maturity Date to March 11, 2019 (the "*Second Extended Maturity Date*"). In the event Borrower shall have exercised the Second Extension Option, Borrower shall have the option (the "*Third Extension Option*"), by written notice (the "*Third Extension Notice*") delivered to Lender no later than fifteen (15) days prior to the Second Extended Maturity Date, to extend the Second Extended Maturity Date to March 11, 2020 (the "*Third Extended Maturity Date*"). In the event Borrower shall have exercised the Third Extension Option, Borrower shall have the option (the "*Fourth Extension Option*"), by written notice (the "*Fourth Extension Notice*") delivered to Lender no later than fifteen (15) days prior to the Third Extended Maturity Date, to extend the Third Extended Maturity Date to March 11, 2021 (the "*Fourth Extended Maturity Date*"). Any Extension Notice may be revoked by Borrower at any time, and Borrower shall reimburse Lender for any reasonable out-of-pocket costs and expenses, including reasonable attorney's fees and disbursements, incurred directly in conjunction with preparing for the applicable extension. Borrower's right to so extend the Maturity Date shall be subject to the satisfaction of the following conditions precedent prior to each extension hereunder:

(a) (i) no Event of Default shall have occurred and be continuing on the date Borrower delivers the First Extension Notice, the Second Extension Notice, the Third Extension Notice or the Fourth Extension Notice, as applicable, and (ii) no Event of Default shall have occurred and be continuing on the Stated Maturity Date, the First Extended Maturity Date, the Second Extended Maturity Date and the Third Extended Maturity Date, as applicable;

(b) Borrower shall (i) obtain and deliver to Lender one or more Replacement Interest Rate Cap Agreements from an Approved Counterparty, in a notional amount equal to the

Outstanding Principal Balance, which Replacement Interest Rate Cap Agreement(s) shall be (A) effective for the period commencing on the day immediately following the then applicable Maturity Date (prior to giving effect to the applicable Extension Option) and ending on the last day of the Interest Period in which the applicable extended Maturity Date occurs and (B) otherwise on same terms set forth in Section 2.6 and (ii) execute and deliver an Acknowledgement with respect to each such Replacement Interest Rate Cap Agreement;

(c) Borrower shall deliver a Counterparty Opinion with respect to the Replacement Interest Rate Cap Agreement and the related Acknowledgment; and

(d) All amounts due and payable by Borrower and any other Person pursuant to this Agreement or the other Loan Documents as of the Stated Maturity Date, the First Extended Maturity Date, the Second Extended Maturity Date or the Third Extended Maturity Date, as applicable, and all reasonable out-of-pocket costs and expenses of Lender, including reasonable out-of-pocket fees and expenses of Lender's counsel, in connection with the applicable extension of the Term shall have been paid in full. Neither Lender, nor any other Person, shall have the right to charge an extension fee to Borrower.

If Borrower is unable to satisfy all of the foregoing conditions within the applicable time frames for each, Lender shall have no obligation to extend the Stated Maturity Date hereunder.

2.7.2 Extension Documentation. As soon as practicable following an extension of the Maturity Date pursuant to this Section 2.7, Borrower shall, if reasonably requested by Lender, execute and deliver such amendments to the related Loan Documents as may be necessary or appropriate to evidence the extension of the Maturity Date as provided in this Section 2.7; provided, however, that no failure by Borrower to enter into any such amendments and/or restatements shall affect the rights or obligations of Borrower or Lender with respect to the extension of the Maturity Date.

Section 2.8. Spread Maintenance Premium. Except as otherwise provided herein, upon any repayment or prepayment of the Loan (including in connection with an acceleration of the Loan) made during the Spread Maintenance Period, Borrower shall pay to Lender on the date of such repayment or prepayment (or acceleration of the Loan) the Spread Maintenance Premium applicable thereto. All Spread Maintenance Premium payments hereunder (to the extent payable by Borrower hereunder) shall be deemed to be earned by Lender upon the funding of the Loan.

Section 2.9. Regulatory Change; Taxes.

2.9.1 Increased Costs.

(a) If as a result of any Regulatory Change or compliance of Lender therewith, Lender or the company that Controls Lender shall be subject to (i) Special Taxes (other than (A) Indemnified Taxes, which shall be solely covered by Section 2.9.2, (B) Other Taxes, which shall be solely covered by Section 2.9.3, (C) Connection Income Taxes and (D) Special Taxes described in clauses (b) through (e) of the definition of Excluded Taxes); (ii) any reserve, special deposit or similar requirements relating to any extensions of credit or other assets of, or any deposits with or other liabilities, of Lender or any company that Controls Lender is imposed, modified or deemed applicable; or (iii) any other condition affecting loans to borrowers

subject to LIBOR-based interest rates is imposed on Lender or any company that Controls Lender and Lender determines that, by reason thereof, the cost to Lender or any company that Controls Lender of making, maintaining or extending the Loan to Borrower is increased, or any amount receivable by Lender or any company that Controls Lender hereunder in respect of any portion of the Loan to Borrower is reduced, in each case by an amount deemed by Lender in good faith to be material (such increases in cost and reductions in amounts receivable being herein called "**Increased Costs**"), then Lender shall provide notice thereof to Borrower and Borrower agrees that it will pay to Lender upon Lender's written request such additional amount or amounts as will compensate Lender or any company that Controls Lender for such Increased Costs to the extent Lender determines that such Increased Costs are allocable to the Loan.

(b) Any amount payable by Borrower pursuant to this Section 2.9.1 shall be paid to Lender within thirty (30) days after Lender's delivery to Borrower of a certificate from Lender setting forth the amount due and Lender's basis for the determination of such amount, which statement shall be conclusive and binding upon Borrower absent manifest error. Lender shall endeavor to promptly inform Borrower of the occurrence of any of the events referred to in this Section 2.9.1 which shall result in Borrower being required to make any payments to Lender pursuant to this Section 2.9.1; provided, however, that the failure of Lender to provide such notice shall not excuse Borrower from its obligations pursuant to this Section 2.9.1 or provide Borrower or any other Person the right to claim any damages or to exercise any other rights or remedies against Lender; and provided, further that the failure on the part of Lender to demand payment from Borrower for any such amount attributable to any particular period shall not constitute a waiver of Lender's right to demand payment of such amount for any subsequent or prior period. Notwithstanding anything contained herein to the contrary, Borrower shall not be required to compensate Lender pursuant to this Section 2.9.1 for any Increased Costs actually paid by Lender more than one hundred eighty (180) days prior to the date that Lender notifies Borrower of the change in any applicable Regulatory Change giving rise to such Increased Costs and of Lender's intention to claim compensation or reimbursement therefor; provided, however, that the foregoing shall not prohibit Lender from delivering such certificate to Borrower prior to Lender's actual payment of such Increased Costs. Notwithstanding anything contained in this Section 2.9.1 to the contrary, Lender shall not be permitted to make a claim against Borrower under this Section 2.9.1 unless Lender is making similar claims against other borrowers of Lender to the extent such borrowers are similarly situated as Borrower after consideration of such factors as Lender then reasonably determines to be relevant. Notwithstanding anything contained herein to the contrary, if pursuant to this Section 2.9.1, Increased Costs are payable, or will be payable, by Borrower, Borrower may, at its option and upon not less than fifteen (15) days' prior notice to Lender (which notice shall be delivered to Lender no later than fifteen (15) days after Lender's delivery to Borrower of the above-referenced certificate regarding the payment of such Increased Costs), prepay the Loan in whole, together with the amount of any such Increased Costs that have at such time already been incurred by or paid by Lender, any applicable Spread Maintenance Premium (if such prepayment occurs during the Spread Maintenance Period), and all other amounts due and payable under Section 2.4.5 in connection with such prepayment. Notwithstanding anything to the contrary herein (including for the avoidance of doubt, Section 2.9.6), no amount shall be payable to a Lender under this Section 2.9.1 during the period in which the Loan is included in a Securitization.

2.9.2 **Special Taxes.** Borrower shall make all payments hereunder free and clear of and without deduction for Special Taxes, except as required by applicable law. If Borrower

shall be required by law to deduct any Special Taxes that are Indemnified Taxes from or in respect of any sum payable hereunder or under any other Loan Document to Lender, the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this [Section 2.9.2](#)) Lender receives an amount equal to the sum it would have received had no such deductions for Special Taxes that are Indemnified Taxes been made. Borrower shall make any deductions for Special Taxes required by applicable law and shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law. Notwithstanding anything contained herein to the contrary, if pursuant to this [Section 2.9.2](#), Borrower is, or will be, required to increase any payment to Lender on account of Indemnified Taxes, Borrower may, at its option and upon not less than fifteen (15) days' prior notice to Lender (which notice shall be delivered to Lender no later than fifteen (15) days after Lender's delivery to Borrower of written notice regarding the increase of payments to Lender on account of Indemnified Taxes), prepay the Loan in whole, together with the amount of any such Indemnified Taxes that have at such time already been incurred by or paid by Lender, any applicable Spread Maintenance Premium (if such prepayment occurs during the Spread Maintenance Period), and all other amounts due and payable under [Section 2.4.5](#) in connection with such prepayment. Notwithstanding anything to the contrary herein (including for the avoidance of doubt, [Section 2.9.6](#)), no amount shall be payable to a Lender under this [Section 2.9.2](#) during the period in which the Loan is included in a Securitization.

2.9.3 **Other Taxes.** Borrower agrees to pay any present or future stamp or documentary taxes or other excise or property taxes, charges, or similar levies which arise from any payment made hereunder, or from the execution, delivery or registration of, or otherwise with respect to, this Agreement, the other Loan Documents, or the Loan, other than such taxes, charges or levies arising solely from any transfer by Lender of the Loan or an interest therein pursuant to [Article IX](#) or arising solely as a result of any Securitization (hereinafter referred to as "**Other Taxes**"). For the avoidance of doubt, Borrower shall pay any mortgage recording taxes owed with respect to the funding of the Loan by Lender on the Closing Date or other similar taxes required to be paid by any Person under applicable Legal Requirements in connection with the execution, delivery, recordation, filing, registration, perfection or enforcement of the Mortgage or any of the Loan Documents.

2.9.4 **Tax Refund.** If Lender has actual knowledge it has received or has actual knowledge that it is entitled to receive, a refund, credit or offset in respect of amounts paid by Borrower pursuant to [Section 2.9.1](#) or [2.9.2](#) (whether against U.S. taxes or non-U.S. taxes) which refund, credit or offset in the good faith judgment of Lender is allocable to such payment, it shall promptly notify Borrower of the availability of such refund, credit or offset and shall, within thirty (30) days after the receipt of a request by Borrower, apply for such refund, credit or offset. If Lender receives such a refund, credit or offset, it shall pay Borrower the refund net of any reasonable out-of-pocket expenses of Lender and without interest (other than any interest paid by the relevant taxation authority with respect to such refund, credit or offset). This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

2.9.5 **Change of Office.** To the extent that changing the jurisdiction of Lender's applicable office would have the effect of minimizing Indemnified Taxes, Other Taxes or

Increased Costs, Lender shall at the request of Borrower use commercially reasonable efforts to make such a change, provided that same would not otherwise be disadvantageous (as reasonably determined by Lender) or involve any unreimbursed expense to Lender.

2.9.6 **Survival.** Each party's obligations under this Section 2.9 shall survive any assignment of rights by, or the replacement of, a Lender and the repayment, satisfaction or discharge of all Obligations under any Loan Document.

III.

REPRESENTATIONS AND WARRANTIES

Section 3.1. **Borrower Representations.** Borrower represents and warrants to Lender that, except to the extent (if any) disclosed on Schedule IV hereto with reference to a specific subsection of this Section 3.1:

3.1.1 **Organization; Special Purpose.** Borrower has been duly organized and is validly existing and in good standing with full power and authority to own its assets and conduct its business, and is duly qualified and in good standing in the jurisdiction in which the Property is located, and Borrower has taken all necessary limited liability company action to authorize the execution, delivery and performance of this Agreement and the other Loan Documents by it, and has the power and authority to execute and deliver, and perform its respective obligations, under this Agreement and the other Loan Documents. Borrower complies with the definition of Special Purpose Bankruptcy Remote Entity.

3.1.2 **Proceedings; Enforceability.** This Agreement and the other Loan Documents have been duly authorized, executed and delivered by Borrower and constitute a legal, valid and binding obligation of Borrower, enforceable against Borrower in accordance with their respective terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally, and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing. The Loan Documents are not subject to any right of rescission, set-off, counterclaim or defense by Borrower or Guarantor including the defense of usury, nor would the operation of any of the terms of the Loan Documents, or the exercise of any right thereunder, render the Loan Documents unenforceable, and neither Borrower nor Guarantor has asserted any right of rescission, set-off, counterclaim or defense with respect thereto.

3.1.3 **No Conflicts.** The execution and delivery of this Agreement and the other Loan Documents by Borrower and the performance of its Obligations hereunder and thereunder will not conflict with any material provision of any law or regulation to which Borrower is subject, or conflict with, result in a material breach of, or constitute a material default under, any of the terms, conditions or provisions of any of Borrower's organizational documents or any material agreement or instrument to which Borrower is a party or by which it is bound, or any order or decree applicable to Borrower, or result in the creation or imposition of any Lien on any of Borrower's assets or property (other than pursuant to the Loan Documents).

3.1.4 **Litigation.** There is no action, suit, proceeding or investigation pending or, to Borrower's knowledge, threatened against Borrower, Manager or the Property in any court

or by or before any other Governmental Authority which, if adversely determined, would reasonably be expected to result in a Material Adverse Effect.

3.1.5 **Agreements.** Borrower is not a party to any agreement or instrument or subject to any restriction which would reasonably be expected to result in, or does result in, a Material Adverse Effect. Borrower is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any Permitted Encumbrance or any other agreement or instrument to which it is a party or by which it or the Property is bound, except where such default would not reasonably be expected to result in, and does not result in, a Material Adverse Effect.

3.1.6 **Consents.** No consent, approval, authorization or order of any court or Governmental Authority is required for the execution, delivery and performance by Borrower of, or compliance by Borrower with, this Agreement or the other Loan Documents or the consummation of the transactions contemplated hereby, other than those which have been obtained by Borrower.

3.1.7 **Property; Title.**

(a) Borrower has good, marketable and insurable fee simple title to the real property comprising part of the Property and good title to the balance of the Property owned by it, free and clear of all Liens whatsoever except the Liens permitted hereunder (including Permitted Encumbrances). The Mortgage, when properly recorded in the appropriate records (and all appropriate recording costs, taxes and fees (if any) are paid), together with any Uniform Commercial Code financing statements required to be filed in connection therewith, will create (i) a valid, first priority, perfected Lien on Borrower's interest in the Property, subject only to Permitted Encumbrances, and (ii) perfected security interests in and to, and perfected collateral assignments of, all personalty owned by Borrower (including the Leases), all in accordance with the terms thereof, in each case subject only to the Liens permitted hereunder (including the Permitted Encumbrances). There are no mechanics', materialman's or other similar Liens or claims which have been filed for work, labor or materials affecting the Property which are or may be Liens prior to, or equal priority with, the Lien of the Mortgage, except for such Liens as are permitted hereunder (including the Permitted Encumbrances). None of the Permitted Encumbrances, individually or in the aggregate, materially and adversely affect or interfere with the value, or current or contemplated use or operation, of the Property, or the security intended to be provided by the Mortgage, or the ability of the Property to generate net cash flow sufficient to service the Loan, or Borrower's ability to pay its obligations as and when they come due, including its ability to repay the Debt in accordance with the terms of the Loan Documents.

(b) All transfer taxes, deed stamps, intangible taxes or other amounts in the nature of transfer taxes required to be paid under applicable Legal Requirements in connection with the transfer of the Property to Borrower have been paid or are being paid simultaneously herewith. All mortgage, mortgage recording, stamp, intangible or other similar tax required to be paid under applicable Legal Requirements in connection with the execution, delivery, recordation, filing, registration, perfection or enforcement of any of the Loan Documents, including the Mortgage, have been paid or are being paid simultaneously herewith. All Taxes and Other Charges due and owing in respect of the Property have been paid, or an escrow of funds in an amount sufficient to cover such payments has been established hereunder or are insured against by the Title Insurance Policy.

(c) The Property is comprised of one (1) or more parcels which constitute separate tax lots and do not constitute a portion of any other tax lot not a part of the Property.

(d) No Condemnation has been commenced or, to Borrower's knowledge, is contemplated with respect to all or any portion of the Property or for the relocation of roadways providing access to the Property.

(e) To Borrower's knowledge, there are no pending or proposed special or other assessments for public improvements or otherwise affecting the Property, nor are there any contemplated improvements to the Property that may result in such special or other assessments.

3.1.8 ERISA; No Plan Assets.

(a) As of the date hereof and throughout the Term (i) neither Borrower nor Guarantor is or will be an "employee benefit plan," as defined in Section 3(3) of ERISA, or a "plan" within the meaning of Section 4975 of the Code, (ii) none of the assets of Borrower or Guarantor constitute or will constitute "plan assets" of one or more such employee benefit plans or plans within the meaning of 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA, (iii) neither Borrower nor Guarantor is or will be a "governmental plan" within the meaning of Section 3(32) of ERISA, and (iv) transactions by or with Borrower and Guarantor are not and will not be subject to state statutes regulating investment of, and fiduciary obligations with respect to, governmental plans.

(b) Except for obligations with respect to any Multiemployer Plan maintained by any ERISA Affiliate, neither Borrower nor any ERISA Affiliate (i) maintains or contributes to, or is or has, within the past six years, been required to maintain or contribute to, any "employee benefit plan," as defined in Section 3(3) of ERISA, that is subject to Title IV or Section 302 of ERISA or Section 412 of the Code or (ii) has incurred any unsatisfied liability under Title IV or Section 302 of ERISA or Section 412 of the Code or could be subjected to any such liability.

3.1.9 Compliance. Except as described in the PZR Report or the Property Condition Report, Borrower and the Property (including, but not limited to the Improvements) and the use thereof comply in all respects with all applicable Legal Requirements, including parking, building and zoning and land use laws, ordinances, regulations and codes the noncompliance of which would reasonably be expected to result in, or does result in, a Material Adverse Effect. Borrower is not in default or violation of any order, writ, injunction, decree or demand of any Governmental Authority, the violation of which would reasonably be expected to result in, or does result in, a Material Adverse Effect. Borrower has not committed any act which may give any Governmental Authority the right to cause Borrower to forfeit the Property or any part thereof or any monies paid in performance of Borrower's Obligations under any of the Loan Documents or cause the withdrawal of the Property from the Condominium. The Property is used exclusively for office, storage and other appurtenant and related uses. Except as described in the PZR Report, in the event that all or any part of the Improvements are destroyed or damaged, said Improvements can be legally reconstructed to their condition prior to such damage or destruction, and thereafter exist for the same use without violating any zoning or other ordinances applicable thereto and without the necessity of obtaining any variances or special permits. To Borrower's knowledge and except as described in the PZR Report or the Property Condition Report, no legal proceedings are pending or threatened with respect to the zoning of

the Property and neither the zoning nor any other right to use or operate the Property is in any way dependent upon or related to any property other than the Property. All certifications, permits, licenses and approvals, including without limitation, certificates of completion and occupancy permits required of Borrower for the legal use, occupancy and operation of the Property for its current use (collectively, the "**Licenses**"), have been obtained and are in full force and effect, except to the extent the failure to have such Licenses would not reasonably be expected to result in, and does not result in, a Material Adverse Effect. To Borrower's knowledge, the use being made of the Property is in conformity with the certificate of occupancy issued for the Property and all other restrictions, covenants and conditions affecting the Property, except for such non-compliance that would not reasonably be expected to result in, or does not result in, a Material Adverse Effect.

3.1.10 **Financial Information.** All financial data, including the statements of cash flow and operations, that have been delivered to Lender in connection with the Loan (i) are true, complete and correct in all material respects, (ii) accurately represent the financial condition of the Property as of the date of such reports in all material respects, and (iii) have been prepared in accordance with GAAP throughout the periods covered, except as disclosed therein. Borrower has no contingent liabilities, unusual forward or long-term commitments or unrealized or anticipated losses from any unfavorable commitments that are known to Borrower. Since the date of the financial statements, there has been no material adverse change in the financial condition, operations or business of Borrower or the Property from that set forth in said financial statements.

3.1.11 **Easements; Utilities and Public Access.** To Borrower's knowledge, all easements, cross easements, licenses, air rights and rights-of-way or other similar property interests (collectively, "**Easements**"), if any, necessary for the utilization of the Improvements for their intended purposes have been obtained and are in full force and effect without default thereunder, except to the extent the failure to obtain such Easements or a default in respect of same would not reasonably be expected to have, and does not have, a Material Adverse Effect. The Property has rights of access to public ways and is served by water, sewer, sanitary sewer and storm drain facilities adequate to service the Property for its intended uses. All public utilities necessary or convenient to the existing use of the Property are located in the public right-of-way abutting the Property or in recorded Easements serving the Property, which Easements are set forth in the Title Insurance Policy.

3.1.12 **Assignment of Leases.** The Assignment of Leases creates a valid assignment of, or a valid security interest in, Borrower's rights under the Leases, subject only to a license granted to Borrower to exercise certain rights and to perform certain obligations of the lessor under the Leases, including the right to operate the Property. Borrower has not assigned the Leases or any portion of the Rents due and payable or to become due and payable thereunder to any Person other than Lender, except for the assignment of leases and rents being terminated as of the Closing Date.

3.1.13 **Insurance.** Borrower has obtained and has delivered to Lender certificates of insurance evidencing all of the Policies, with all premiums that are due and payable paid thereunder, reflecting the insurance coverages, amounts and other requirements set forth in this Agreement. Neither Borrower nor, to Borrower's knowledge, any other Person, has done, by act or omission, anything which would impair the coverage of any of the Policies.

3.1.14 **Flood Zone.** None of the Improvements on the Property are located in an area identified by the Federal Emergency Management Agency as a special flood hazard area.

3.1.15 **Physical Condition.** To Borrower's knowledge and except as may be expressly set forth in the Physical Conditions Report: (i) the Property, including all buildings, improvements, sidewalks, storm drainage systems, roofs, plumbing systems, HVAC systems, fire protection systems, electrical systems, equipment, elevators, exterior sidings and doors, landscaping, irrigation systems and all structural components, are in good condition, order and repair in all material respects; and (ii) there exists no structural or other material defects or damages in the Property, whether latent or otherwise, and Borrower has not received notice from any insurance company or bonding company of any defects or inadequacies in the Property, or any part thereof, which would reasonably be expected to materially and adversely affect the insurability of the same or cause the imposition of extraordinary premiums or charges thereon or of any termination or threatened termination of any policy of insurance or bond.

3.1.16 **Intentionally Omitted.**

3.1.17 **Leases.**

The Property is not subject to any Leases other than the Leases described on the rent roll certified to Lender on the Closing Date as true, complete and correct in all material respects (the "**Rent Roll**"). Borrower is the owner and lessor of landlord's interest in the Leases (excluding any subleases or sub-subleases). No Person has any possessory interest in the Property or right to occupy the same except under and pursuant to the provisions of the Leases. Except as set forth on **Schedule IV** hereto and except as disclosed on the Rent Roll or on the estoppel certificates delivered to Lender in connection with the closing of the Loan, the Leases identified on the Rent Roll are in full force and effect and there are no material defaults thereunder by either party beyond any applicable notice or cure period, and there are no conditions that, with the passage of time or the giving of notice, or both, would constitute defaults thereunder. The copies of the Leases delivered to Lender are true and complete, and there are no oral agreements with respect thereto. Except as set forth on **Schedule IV** hereto and except as disclosed on the Rent Roll or on the estoppel certificates delivered to Lender in connection with the closing of the Loan, no Rent (including security deposits) has been paid more than one (1) month in advance of its due date. Except as set forth on **Schedule IV** hereto and except as disclosed on the Rent Roll or on the estoppel certificates delivered to Lender in connection with the closing of the Loan, to Borrower's knowledge, all work to be performed by Borrower under each Lease has been performed as required and has been accepted by the applicable Tenant. Except as set forth on **Schedule II** hereto and except as disclosed on the Rent Roll or on the estoppel certificates delivered to Lender in connection with the closing of the Loan, any payments, free rent, partial rent, rebate of rent or other payments, credits, allowances or abatements required to be given by Borrower to any Tenant under a Lease has already been received by such Tenant. Except as set forth on **Schedule II** hereto and except as disclosed on the Rent Roll or on the estoppel certificates delivered to Lender in connection with the closing of the Loan, each Tenant under each Lease have accepted possession of and is in occupancy of all of its respective space demised under its Lease and has commenced the payment of full, unabated rent under its Lease. Borrower has delivered to Lender a true, correct and complete list of all security deposits made by Tenants at the Property which have not been applied (including accrued interest thereon), all of which are held by Borrower in accordance with the terms of the applicable Lease and applicable Legal Requirements. To Borrower's knowledge, no Tenant under a Lease is the subject of bankruptcy or reorganization proceedings. Except as set forth on

Schedule IV hereto, no Tenant under any Lease (or any sublease) is an Affiliate of Borrower. Except as set forth on Schedule IV hereto and except as disclosed on the Rent Roll or on the estoppel certificates delivered to Lender in connection with the closing of the Loan, there are no brokerage fees or commissions due and payable by Borrower in connection with the leasing of space at the Property, except as has been previously disclosed to Lender in writing, and no such fees or commissions will become due and payable in the future in connection with the Leases, including by reason of any extension of such Lease or expansion of the space leased thereunder, except as has previously been disclosed to Lender in writing. Borrower has not sold, transferred, assigned, hypothecated or pledged any Lease or the Rents received therefrom, except for those which are no longer in effect and except to Lender pursuant to the Loan Documents. Except as set forth on Schedule IV hereto and except as disclosed on the Rent Roll or on the estoppel certificates delivered to Lender in connection with the closing of the Loan, to Borrower's knowledge, no Tenant under any Lease has assigned its Lease or sublet all or any portion of the premises demised thereby and no such Tenant holds its leased premises under assignment or sublease. Except as set forth on Schedule IV hereto and except as disclosed on the Rent Roll or on the estoppel certificates delivered to Lender in connection with the closing of the Loan and except for the rights of Bloomberg described in Section 40 of the Original Bloomberg Lease in event of a Proposed Competitor Asset Transfer (as defined in the Original Bloomberg Lease) or a Proposed Competitor Equity Transfer (as defined in the Original Bloomberg Lease), no Tenant under any Lease has a right or option pursuant to such Lease or otherwise to purchase all or any part of the leased premises or the building of which the leased premises are a part.

3.1.18 **Tax Filings.** To the extent required, Borrower has filed (or has obtained effective extensions for filing) all material federal, state, commonwealth, district and local tax returns required to be filed and has paid or made adequate provision for the payment of all material federal, state, commonwealth, district and local taxes, charges and assessments payable by Borrower. Borrower's tax returns (if any) properly reflect the income and taxes of Borrower for the periods covered thereby, subject only to reasonable adjustments permitted by the Internal Revenue Service or other applicable tax authority upon audit.

3.1.19 **No Fraudulent Transfer.** Borrower (i) has not entered into the transaction or any Loan Document with the actual intent to hinder, delay, or defraud any creditor, and (ii) received reasonably equivalent value in exchange for its Obligations under the Loan Documents. After giving effect to the Loan, the fair saleable value of Borrower's assets exceeds and will, immediately following the making of the Loan, exceed Borrower's total liabilities, including subordinated, unliquidated, disputed and contingent liabilities. The fair saleable value of Borrower's assets is, and immediately following the making of the Loan, will be, greater than Borrower's probable liabilities, including the maximum amount of its contingent liabilities on its debts as such debts become absolute and matured. Borrower's assets do not and, immediately following the making of the Loan will not, constitute unreasonably small capital to carry out its business as conducted or as proposed to be conducted. Borrower does not intend to, and does not believe that it will, incur Indebtedness and liabilities (including contingent liabilities and other commitments) beyond its ability to pay such Indebtedness and liabilities as they mature (taking into account the timing and amounts of cash to be received by Borrower and the amounts to be payable on or in respect of the obligations of Borrower). No petition in bankruptcy has been filed by Borrower and Borrower has not ever made an assignment for the benefit of creditors or taken advantage of any insolvency act for the benefit of debtors. Borrower is not contemplating either the filing of a petition by it under any state or federal bankruptcy or

insolvency laws or the liquidation of all or a major portion of Borrower's assets or properties, and Borrower has no knowledge of any Person contemplating the filing of any such petition against it.

3.1.20 **Federal Reserve Regulations.** No part of the proceeds of the Loan will be used by Borrower for the purpose of purchasing or acquiring any "margin stock" within the meaning of Regulation U of the Board of Governors of the Federal Reserve System, or for any other purpose, that would violate Regulation U or any other Regulations of such Board of Governors, or for any purposes prohibited by Legal Requirements or by the terms and conditions of this Agreement or the other Loan Documents.

3.1.21 **Organizational Chart.** The organizational chart attached as Schedule III, relating to Borrower and certain Affiliates and other parties, is true, complete and correct on and as of the date hereof (except as otherwise indicated thereon).

3.1.22 **Organizational Status.** Borrower's exact legal name is as set forth in the introductory paragraph to this Agreement. Borrower is a limited liability company, and the jurisdiction in which Borrower is organized is: Delaware. Borrower's Tax I.D. number is as follows: 06-1716800.

3.1.23 **Bank Holding Company.** Borrower is not a "bank holding company" or a direct or indirect subsidiary of a "bank holding company" as defined in the Bank Holding Company Act of 1956, as amended, and Regulation Y thereunder of the Board of Governors of the Federal Reserve System.

3.1.24 **No Casualty.** The Improvements have suffered no material casualty or damage which has not been fully repaired and the cost thereof fully paid.

3.1.25 **Purchase Options.** Neither Borrower nor, to Borrower's knowledge, any other Person, has granted any purchase option, right of first refusal, right of first offer or other similar right in favor of third parties with respect to the Property.

3.1.26 **FIRPTA.** Borrower is not a "foreign person" within the meaning of Sections 1445 or 7701 of the Code.

3.1.27 **Investment Company Act.** Borrower is not (i) an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended, or (ii) subject to any other United States federal or state law or regulation which purports to restrict or regulate its ability to borrow money.

3.1.28 **Fiscal Year.** Each fiscal year of Borrower commences on January 1.

3.1.29 **Other Debt.** Borrower has no Indebtedness, other than Permitted Encumbrances and Permitted Indebtedness.

3.1.30 **Intentionally Omitted.**

3.1.31 **Full and Accurate Disclosure.** No statement of fact made by Borrower in this Agreement or in any of the other Loan Documents contains any untrue statement of a material fact or omits to state any material fact necessary to make statements contained herein or

therein not misleading, except that the foregoing statement shall be qualified by “to Borrower’s knowledge” to the extent any statements herein are so qualified. There is no material fact presently known to Borrower which has not been disclosed to Lender which would reasonably be expected to result in, or has resulted in, a Material Adverse Effect.

3.1.32 **Condominium Representations.**

(a) Borrower has delivered to Lender true, correct and complete copies of each of the Condominium Documents, and there are no other agreements, instruments or other documents to which Borrower is a party or by which Borrower may be bound relating to the creation and/or governance of the Condominium. The Condominium Documents are in full force and effect.

(b) Neither Borrower, nor, to Borrower’s knowledge, any other party to the Condominium Declaration or the Bylaws is in default thereunder, except to the extent that such default would not reasonably be expected to result in, and has not resulted in, a Material Adverse Effect.

(c) All Condominium Charges payable by Borrower through the date immediately preceding the Closing Date have been paid, and to Borrower’s knowledge, the Condominium Board has not levied any special assessments that are due and payable on or after the date hereof.

(d) The Mortgage is a “Permitted Mortgage” and Lender is a “Permitted Mortgagee” within the meaning of, and for all purposes under, the Condominium Documents, and is entitled to all of the rights and remedies granted to Permitted Mortgagees thereunder.

(e) The Condominium Board consists of five (5) members. As of the date hereof, the members of the Condominium Board are as follows: Martin Dresner, Thomas Sanelli, Chris Thompson, Barry Langer and Michael Kim. All of such members (other than Michael Kim and Chris Thompson) were appointed by Borrower and are employees of Guarantor, VRT, VRLP and/or one their respective subsidiaries.

3.1.33 **Bloomberg Lease.** The Upper Option Space (as defined in the Original Bloomberg Lease) is entirely located within the Property.

3.1.34 **Illegal Activity.** No portion of the purchase price for the Property has been or will be paid with proceeds of any illegal activity.

Section 3.2. **Survival of Representations.** The representations and warranties set forth in Section 3.1 and elsewhere in this Agreement and the other Loan Documents shall (i) survive until the Obligations have been paid and performed in full and (ii) be deemed to have been relied upon by Lender notwithstanding any investigation heretofore or hereafter made by Lender or on its behalf.

IV.

BORROWER COVENANTS

Until the end of the Term, Borrower hereby covenants and agrees with Lender that:

Section 4.1. **Payment and Performance of Obligations.** Borrower shall pay and otherwise perform the Obligations in accordance with the terms of this Agreement and the other Loan Documents.

Section 4.2. **Due on Sale and Encumbrance; Transfers of Interests.** Borrower acknowledges that Lender has examined and relied on the experience of Borrower and its Controlling owners, as applicable, and principals of Borrower in owning and operating properties such as the Property in agreeing to make the Loan, and will continue to rely on Borrower's ownership of the Property as a means of maintaining the value of the Property as security for repayment of the Debt and the performance of the Other Obligations. Borrower acknowledges that Lender has a valid interest in maintaining the value of the Property so as to ensure that, should Borrower default in the repayment of the Debt or the performance of the Other Obligations, Lender can recover the Debt by a sale of the Property. Therefore, except as permitted in this Agreement or the other Loan Documents, without the prior written consent of Lender, neither Borrower nor any other Person having a direct or indirect ownership or beneficial interest in Borrower shall sell, convey, mortgage, grant, bargain, encumber, pledge, assign or transfer the Property or any part thereof, or any interest, direct or indirect, in Borrower, whether voluntarily or involuntarily (a "**Transfer**"). A Transfer within the meaning of this **Section 4.2** shall be deemed to include (i) an installment sales agreement wherein Borrower agrees to sell the Property or any part thereof for a price to be paid in installments; (ii) an agreement by Borrower for the leasing of all or a substantial part of the Property for any purpose other than the actual occupancy by a space Tenant thereunder or a sale, assignment or other transfer of, or the grant of a security interest in, Borrower's right, title and interest in and to any Leases or any Rents; (iii) if Borrower or any general partner, managing member or controlling shareholder of Borrower is a corporation, the voluntary or involuntary sale, conveyance or transfer of such corporation's stock (or the stock of any corporation directly or indirectly controlling such corporation by operation of law or otherwise) or the creation or issuance of new stock; (iv) if Borrower or any general partner, managing member or controlling shareholder of Borrower is a limited or general partnership, joint venture or limited liability company, the change, removal, resignation or addition of a general partner, managing partner, limited partner, joint venturer or member or the transfer of the partnership interest of any general partner, managing partner or limited partner or the transfer of the interest of any joint venturer or member; and (v) any pledge, hypothecation, assignment, transfer or other encumbrance of any direct or indirect ownership interest in Borrower. Nothing herein shall restrict Borrower from entering into a purchase and sale agreement for the Property in anticipation of a Transfer and Assumption or prepayment that is permitted hereunder or otherwise approved by Lender, provided that in connection with an anticipated Transfer and Assumption, Borrower's obligations under such purchase and sale agreement are expressly subject to compliance with the terms and provisions of this Agreement with respect to a Transfer and Assumption.

Section 4.3. **Liens.** Subject to Borrower's contest rights as set forth in this **Section 4.3**, Borrower shall discharge any Lien on any portion of the Property, except for the Permitted Encumbrances and except as otherwise permitted in this Agreement or the other Loan

Documents, within sixty (60) days after Borrower receives written notice of the filing of such Lien. Notwithstanding the foregoing, Borrower, at its own expense, may contest by appropriate legal proceeding, conducted in good faith and with due diligence, the amount or validity of any Liens, provided that (i) no Event of Default has occurred and is continuing; (ii) such proceeding shall be permitted under and be conducted in accordance with all applicable statutes, laws and ordinances; (iii) neither the Property nor any part thereof or interest therein will be in reasonable danger of being sold, forfeited, terminated, canceled or lost; (iv) Borrower shall, as required upon final determination thereof, pay the amount of any such Liens, together with all costs, interest and penalties which may be payable in connection therewith; (v) only if collateral is not required to be posted in connection with such proceeding, in the case of Liens in excess of \$10,000,000, individually or in the aggregate (the "**Contest Threshold**"), to insure the payment of such Liens during the term of such contest, Borrower shall deliver to Lender, subject to the limitations set forth in **Section 6.11**, either (A) cash, cash equivalents, a Letter of Credit or a guaranty from a Qualified Guarantor, or other security reasonably acceptable to Lender, in an amount equal to one hundred ten percent (110%) of the contested amount over the Contest Threshold plus any deferred fines thereon, or (B) a payment and performance bond in an amount equal to one hundred percent (100%) of the contested amount from a surety acceptable to Lender in its reasonable discretion, (vi) failure to pay such Liens will not subject Lender to any civil liability (other than fines which Borrower promptly pays in full when due, except to the extent the contest defers such payment) or criminal liability, (vii) such contest shall not materially adversely affect the ownership, use or occupancy of the Property, and (viii) Borrower shall keep Lender informed of the status of such proceedings at reasonable intervals and, if requested by Lender, confirm to Lender the continuing satisfaction of the conditions set forth in **clauses (i) through (vii)** of this **Section 4.3**. After five (5) Business Days' notice to Borrower, Lender may pay over any such cash or other security held by Lender to the claimant entitled thereto at any time when, in the reasonable judgment of Lender, the entitlement of such claimant is finally established by the Governmental Authority authorized to make such determination or the Property (or any part thereof or interest therein) shall be in immediate danger of being sold, forfeited, terminated, cancelled or lost or there shall be any immediate danger of the Lien of the Mortgage being primed by any related Lien.

Section 4.4. **Special Purpose.** Without in any way limiting the provisions of this **Article 4**, Borrower shall at all times comply with the requirements set forth in the definition of "Special Purpose Bankruptcy Remote Entity". Borrower shall not (i) directly or indirectly make any change, amendment or modification to any of the "Special Purpose Provisions" as defined in and set forth in its organizational documents without the prior written consent of Lender and the receipt of Rating Agency Confirmation, or (ii) otherwise take any action which would result in Borrower not being a Special Purpose Bankruptcy Remote Entity.

Section 4.5. **Existence; Compliance with Legal Requirements.** Borrower shall do or cause to be done all things necessary to preserve, renew and keep in full force and effect its existence and all rights, licenses, permits and franchises necessary to comply with all Legal Requirements applicable to it and the Property, except for such failure or noncompliance as would not reasonably be expected to, and does not, result in a Material Adverse Effect.

Section 4.6. **Taxes and Other Charges.** Subject to Borrower's contest rights as set forth in this **Section 4.6**, Borrower shall pay all Taxes and Other Charges now or hereafter levied, assessed or imposed prior to the date the same shall become delinquent and shall

promptly furnish to Lender receipts for the payment of the Taxes and the Other Charges (provided, however, that Borrower need not pay Taxes directly nor furnish such receipts for payment of Taxes to the extent that funds to pay for such Taxes have been deposited into the Tax Account pursuant to Section 6.3). Notwithstanding the foregoing, Borrower, at its own expense, may contest by appropriate legal proceeding, conducted in good faith and with due diligence, the amount or validity of any Taxes or Other Charges, provided that (i) no Event of Default has occurred and is continuing; (ii) such proceeding shall be permitted under and be conducted in accordance with all applicable statutes, laws and ordinances; (iii) neither the Property nor any part thereof or interest therein will be in reasonable danger of being sold, forfeited, terminated, canceled or lost; (iv) Borrower shall, as required upon final determination thereof, pay the amount of any such Taxes or Other Charges, together with all costs, interest and penalties which may be payable in connection therewith; (v) such proceeding shall suspend the collection of Taxes or Other Charges from the Property; (vi) in the case of Taxes or Other Charges above the Contest Threshold, Borrower shall, subject to the limitations set forth in Section 6.11, deposit with Lender cash, cash equivalents, a Letter of Credit or a guaranty from a Qualified Guarantor or other security reasonably acceptable to Lender, in an amount equal to one hundred ten percent (110%) of the contested amount (together with all interest and penalties thereon) over the Contest Threshold plus any deferred fines thereon, to insure the payment of any such Taxes or Other Charges during such contest, (vii) failure to pay such Taxes or Other Charges will not subject Lender to any civil liability (other than fines which Borrower promptly pays in full when due, except to the extent the contest defers such payment) or criminal liability, (viii) such contest shall not materially adversely affect the ownership, use or occupancy of the Property, and (ix) Borrower shall keep Lender informed of the status of such proceedings at reasonable intervals and, if requested by Lender, confirm to Lender the continuing satisfaction of the conditions set forth in clauses (i) through (vii) of this Section 4.6. After five (5) Business Days' notice to Borrower, Lender may pay over any such cash or other security held by Lender to the claimant entitled thereto at any time when, in the reasonable judgment of Lender, the entitlement of such claimant is finally established by the Governmental Authority authorized to make such determination or the Property (or any part thereof or interest therein) shall be in immediate danger of being sold, forfeited, terminated cancelled or lost or there shall be any immediate danger of the Lien of the Mortgage being primed by any related Lien.

Section 4.7. **Litigation.** Borrower shall give prompt notice to Lender of any litigation or governmental proceedings pending or, to Borrower's knowledge, threatened against the Property or Borrower which would, if adversely determined, reasonably be expected to result in a Material Adverse Effect.

Section 4.8. **Title to the Property.** Borrower shall warrant and defend (a) its title to the Property and every part thereof, subject only to Permitted Encumbrances and (b) the validity and priority of the Liens of the Mortgage, the Assignment of Leases and this Agreement on the Property, subject only to Permitted Encumbrances and other Liens expressly permitted pursuant to the terms of the Loan Documents, in each case against the claims of all Persons whomsoever.

Section 4.9. **Financial Reporting.**

4.9.1 **Generally.** Borrower shall keep and maintain, or will cause to be kept and maintained, on an annual basis, proper and accurate books and records, in accordance with GAAP, reflecting the business and financial affairs of Borrower. Lender shall have the right at

reasonable times during normal business hours upon reasonable advance notice to Borrower to examine such books and records at the office of Borrower or other Person maintaining such books and records and to make such copies or extracts thereof as Lender may reasonably request.

4.9.2 **Quarterly Reports.** Not later than forty-five (45) days following the end of each calendar quarter (commencing with the first (1st) quarter of 2014), Borrower shall deliver to Lender:

(i) unaudited financial statements, internally prepared in accordance with GAAP including a balance sheet and statement of operations (and a separate calculation of Gross Income and Operating Expenses) as of the end of such quarter and year-to-date, together with (commencing with the financial statements for the first quarter of 2015) the results for the same periods of the previous year. Such statements for each quarter shall be accompanied by an Officer's Certificate certifying to the best of the signer's knowledge, (A) that such statements fairly represent the financial condition and results of operations of Borrower in all material respects, (B) that as of the date of such Officer's Certificate, no Event of Default exists under this Agreement, the Note or any other Loan Document or, if so, specifying the nature and status of each such Event of Default and the action then being taken by Borrower or proposed to be taken to remedy such Event of Default and (C) that as of the date of each Officer's Certificate, no litigation exists involving Borrower or the Property that would reasonably be expected to result in a Material Adverse Effect. Such financial statements shall contain such other information as shall be reasonably requested by Lender for purposes of calculations to be made by Lender pursuant to the terms hereof;

(ii) a rent roll for the Property, dated as of the last month of such calendar quarter, showing the current annualized rent for the Property (as of the date of such rent roll), and the expiration date of each Lease. Such rent roll shall be accompanied by an Officer's Certificate certifying to the best of the signer's knowledge that such rent roll is true, correct and complete in all material respects as of its date and stating whether Borrower, within the past three (3) months, has issued a notice of default with respect to any Lease which has not been cured and the nature of such default; and

(iii) copies of any Lease, or any Lease renewal, modification, amendment or modification executed during such calendar quarter.

4.9.3 **Annual Reports.** Not later than one hundred five (105) days after the end of each Fiscal Year of Borrower's operations (commencing on the Fiscal Year ending December 31, 2014), Borrower shall deliver to Lender:

(i) financial statements for Borrower audited by an Independent Accountant in accordance with GAAP, including a balance sheet as of the end of such Fiscal Year, and a statement of operations for the year ended and figures for the previous Fiscal Year. Such annual financial statements shall be accompanied by an Officer's Certificate in the form required pursuant to Section 4.9.2(i) above;

(ii) an annual summary of any and all Capital Expenditures made at the

Property during such Fiscal Year; and

(iii) calculations of Gross Income and Operating Expenses for such Fiscal Year, which calculations shall be accompanied by an Officer's Certificate in the form required pursuant to Section 4.9.2(i) above.

4.9.4 Other Reports.

(a) Borrower shall, within ten (10) Business Days after written request by Lender or such longer period as reasonably required to produce the same, furnish or cause to be furnished to Lender and, if applicable, the Rating Agencies in such manner and in such detail as may be reasonably requested by Lender or, if all or part of the Loan is being or has been included in a Securitization, the Rating Agencies, such reasonable additional information as may be reasonably requested with respect to the Property.

(b) Borrower shall submit to Lender the financial data and financial statements required, and within the time periods, under clauses (f) and (g) of Section 9.1, if and when available.

4.9.5 Annual Budget.

(a) Prior to the Closing Date, Borrower has provided to Lender, for informational purposes, an Annual Budget for the 2014 Fiscal Year. Provided no Trigger Period has occurred and is continuing, Borrower shall provide to Lender, for informational purposes, no later than thirty (30) days following the end of the prior Fiscal Year (commencing with the Fiscal Year ending December 31, 2014) the Annual Budget for the current Fiscal Year; provided, however, that, if any Trigger Period commences, Borrower shall deliver to Lender an Annual Budget for Lender's review and approval (which approval shall not be unreasonably withheld, conditioned or delayed, subject to the provisions of Section 4.9.5(b)) within thirty (30) days of the commencement of such Trigger Period. During the continuance of a Trigger Period, Lender shall have the right to approve each Annual Budget, including extraordinary operating expenses and Capital Expenditures (which approval shall not be unreasonably withheld, conditioned or delayed, subject to the provisions of Section 4.9.5(b)). Annual Budgets delivered to Lender (other than during the continuance of a Trigger Period) or approved by Lender during the continuance of a Trigger Period shall hereinafter be referred to as an "*Approved Annual Budget*", and any such extraordinary operating expenses approved by Lender during any Trigger Period pursuant to this Section 4.9.5(a) shall hereinafter be referred to as "*Approved Extraordinary Expenses*". During the continuance of a Trigger Period, until such time that any Annual Budget has been approved by Lender, the prior Approved Annual Budget shall apply for all purposes hereunder (with such adjustments as necessary to reflect actual increases in Taxes, Insurance Premiums, utilities expenses and other non-discretionary items). During the continuance of a Trigger Period, subject to the immediately previous sentence, neither Borrower nor Manager shall change or modify the Annual Budget that has been approved by Lender without the prior written consent of Lender (which consent shall not be unreasonably withheld, conditioned or delayed, subject to the provisions of Section 4.9.5(b)).

(b) Notwithstanding anything to the contrary contained in this Section 4.9.5, whenever Lender's approval or consent is required pursuant to the provisions of this Section 4.9.5, Lender's consent and approval shall be deemed given if:

(i) the first correspondence from Borrower to Lender requesting such approval or consent contains a bold-faced, conspicuous legend at the top of the first page thereof stating that “**FIRST NOTICE: THIS IS A REQUEST FOR CONSENT UNDER THE LOAN BY LENDER TO 731 OFFICE ONE LLC. FAILURE TO RESPOND TO THIS REQUEST WITHIN FIVE (5) BUSINESS DAYS MAY RESULT IN THE REQUEST BEING DEEMED GRANTED**”, and is accompanied by such information and documents as Borrower believes in good faith are reasonably required for Lender to adequately evaluate such request and as requested by Lender in writing prior to the expiration of such five (5) Business Day period; and

(ii) if Lender fails to respond to or to deny such request for approval or consent in writing within such five (5) Business Day period, a second notice requesting approval is delivered to Lender from Borrower containing a bold-faced, conspicuous legend at the top of the first page thereof stating that “**SECOND AND FINAL NOTICE: THIS IS A REQUEST FOR CONSENT UNDER THE LOAN BY LENDER TO 731 OFFICE ONE LLC. FAILURE TO APPROVE OR DENY THIS REQUEST IN WRITING WITHIN FIVE (5) BUSINESS DAYS WILL RESULT IN YOUR APPROVAL BEING DEEMED GRANTED**”, and is accompanied by such information and documents as Borrower believes in good faith are reasonably required for Lender to adequately evaluate such request and as requested by Lender in writing prior to the expiration of such five (5) Business Day period, and Lender fails to either approve or deny (and, in the case of a denial, stating the grounds therefor in reasonable detail) such request for approval or consent within such second five (5) Business Day period.

Section 4.10. **Access to Property.** Borrower shall permit agents, representatives and employees of Lender to inspect the Property or any part thereof during normal business hours upon reasonable advance notice (which may be given by email or telephonically), subject to the rights of Tenants under Leases and Borrower’s usual and customary safety requirements and accompanied by a representative of Borrower.

Section 4.11. **Leases.**

4.11.1 **Generally.** Upon reasonable request, Borrower shall furnish Lender with executed copies of all Leases then in effect.

4.11.2 **Approvals.**

(a) Any Major Lease and any renewals, material amendments or material modifications of a Major Lease (other than those which are expressly permitted under such Lease pursuant to a right of the Tenant thereunder not requiring the consent of Borrower) shall be subject to Lender’s approval (which approval shall not be unreasonably withheld, delayed or conditioned, subject to the provisions of Section 4.11.2(d)), provided, that no consent of Lender shall be required in connection with any modification or amendment to any Bloomberg Lease for the purpose of extending the term of the Bloomberg Citibank Lease and/or the Bloomberg Metrovest Lease provided that (x) such amendment or modification extends the term of the Bloomberg Citibank Lease and/or Bloomberg Metrovest Lease, as applicable, for a period which

expires no later than the expiration of the term of the Original Bloomberg Lease, (y) the rent (on a per square foot basis) payable during such extension period shall be no less than the rent (on a per square foot basis) payable under Bloomberg Citibank Lease and/or Bloomberg Metrovest Lease, as applicable (and if such Lease provided for escalated rent payments over the term of such Lease, then the rent (on a per square foot basis) payable under such Lease following the last escalation of rents), provided that such extension period may contain free rent periods on market terms, and (z) any other material amendments or modifications to the Bloomberg Citibank Lease or the Bloomberg Metrovest Lease (other than amendments and modifications relating to the extension of the term of such Lease or amendments or modifications conforming the terms of the Bloomberg Citibank Lease or the Bloomberg Metrovest Lease to the terms of the Original Bloomberg Lease) shall be subject to Lender's approval (which approval shall not be unreasonably withheld, delayed or conditioned, subject to the provisions of Section 4.11.2(d)), it being understood that no extension of the Bloomberg Citibank Lease or the Bloomberg Metrovest Lease expressly permitted in any such Lease pursuant to a right of the Tenant thereunder without the consent of Borrower shall be subject to the approval of Lender hereunder. Any Lease and any renewals, amendments or modifications of a Lease (other than any Major Lease and any renewal, amendment or material modification to a Major Lease) that meets the following requirements may be entered into by Borrower without Lender's prior consent: (i) provides for prevailing market-rate terms, (ii) unless a subordination, non-disturbance and attornment agreement is delivered pursuant to this Section 4.11.2, provides that such Lease is subordinate to the Mortgage and that the Tenant thereunder will attorn to Lender and any successor landlord, and (iii) is either (A) written on a form substantially similar to the form of the Original Bloomberg Lease (the "**Standard Form of Lease**"), with any replacements, modifications or amendments reflecting commercially reasonable changes necessary to account for the then-current state of the market or such alternative form lease as has been reasonably approved by Lender pursuant to the terms of this Section 4.11.2 (which alternative form may be used by Borrower thereafter without seeking Lender's approval therefor if Lender approves in writing its use as a form), subject, in each case, to any commercially reasonable changes made in the course of negotiations with the applicable Tenant or (B) in the case of storage leases, written on a lease with commercially reasonable terms. All other Leases (including Major Leases) and all renewals, material amendments and material modifications thereof executed after the date hereof shall be subject to Lender's prior approval (which approval shall not be unreasonably withheld, delayed or conditioned, subject to the provisions of Section 4.11.2(d)).

(b) Borrower shall not permit or consent to any assignment or sublease of any Major Lease that has the effect of releasing the assigning or subletting Tenant from its obligations under the Lease, without Lender's prior written approval (other than assignments or subleases expressly permitted under any Major Lease pursuant to a right of the Tenant thereunder not requiring the consent of Borrower). Lender shall enter into, and, if required by applicable law in order to provide constructive notice or if requested by any Tenant, record in the county where the Property is located, a subordination, non-disturbance and attornment agreement, in form and substance substantially similar to the form attached hereto as Exhibit F or in form and substance substantially similar to the subordination, non-disturbance and attornment agreement delivered to Lender at the Closing Date (in either case, with such changes to such form as are commercially reasonable and as otherwise reasonably approved by Lender pursuant to this Section 4.11.2, a "**Non-Disturbance Agreement**"), with any Tenant entering into a New Lease or a modification of a Lease for which Lender's prior written consent has been obtained or deemed obtained, or for which Lender's prior written consent was not required, within ten (10)

Business Days after written request therefor by Borrower. All reasonable third party costs and expenses incurred by Lender in connection with the negotiation, preparation, execution, delivery and recordation of any Non-Disturbance Agreement, including, without limitation, reasonable attorneys' fees and disbursements, shall be paid by Borrower.

(c) Borrower shall have the right, without the consent or approval of Lender, to terminate or accept a surrender of any Lease so long as such termination or surrender is (i) by reason of a Tenant default beyond any applicable notice and grace periods, or (ii) Borrower is simultaneously replacing such terminated or surrendered Lease with one or more Leases that are either (A) approved or deemed approved by Lender (such approval not to be unreasonably withheld, delayed or conditioned and to be subject to the provisions of Section 4.11.2(d)) and/or (B) complies in all respects with the requirements forth in Section 4.11.2(a), above and Lender's approval thereof is not required thereunder; provided, however, in no event shall Borrower terminate or accept a surrender of any Bloomberg Lease without the prior written approval (or deemed approval) of Lender, not to be unreasonably withheld or delayed. Except as expressly set forth in this Section 4.11.2(c), Borrower shall not have the right to terminate any Lease without the express written consent of the Lender.

(d) Notwithstanding anything to the contrary contained in this Section 4.11.2, whenever Lender's approval or consent is required pursuant to the provisions of this Section 4.11.2, Lender's consent and approval shall be deemed given if:

(i) the first correspondence from Borrower to Lender requesting such approval or consent contains a bold-faced, conspicuous legend at the top of the first page thereof stating that "**FIRST NOTICE: THIS IS A REQUEST FOR CONSENT UNDER THE LOAN BY LENDER TO 731 OFFICE ONE LLC. FAILURE TO RESPOND TO THIS REQUEST WITHIN FIVE (5) BUSINESS DAYS MAY RESULT IN THE REQUEST BEING DEEMED GRANTED**", and is accompanied by such information and documents as Borrower believes in good faith are reasonably required for Lender to adequately evaluate such request and as requested by Lender in writing prior to the expiration of such five (5) Business Day period; and

(ii) if Lender fails to respond to or to deny such request for approval or consent in writing within such five (5) Business Day period, a second notice requesting approval is delivered to Lender from Borrower containing a bold-faced, conspicuous legend at the top of the first page thereof stating that "**SECOND AND FINAL NOTICE: THIS IS A REQUEST FOR CONSENT UNDER THE LOAN BY LENDER TO 731 OFFICE ONE LLC. FAILURE TO APPROVE OR DENY THIS REQUEST IN WRITING WITHIN FIVE (5) BUSINESS DAYS WILL RESULT IN YOUR APPROVAL BEING DEEMED GRANTED**", and is accompanied by such information and documents as Borrower believes in good faith are reasonably required for Lender to adequately evaluate such request and as requested by Lender in writing prior to the expiration of such five (5) Business Day period, and Lender fails to either approve or deny (and, in the case of a denial, stating the grounds therefor in reasonable detail) such request for approval or consent within such second five (5) Business Day period.

4.11.3 **Covenants.** Borrower (i) shall observe and perform the material obligations imposed upon the lessor under the Leases (subject to commercially reasonable

deviations therefrom which would not be reasonably expected to result in a termination of a Lease or have a Material Adverse Effect); (ii) shall enforce the material terms, covenants and conditions contained in the Leases upon the part of the Tenants thereunder to be observed or performed in a commercially reasonable manner; (iii) shall not collect any of the Rents more than one (1) month in advance (other than security deposits); and (iv) shall not execute any assignment of lessor's interest in the Leases or the Rents (except as contemplated or permitted by the Loan Documents). Borrower shall promptly notify Lender of any default by Borrower under the Leases that would reasonably be expected to result in a Material Adverse Effect and of which Borrower has actual knowledge.

4.11.4 **Security Deposits.** All security deposits of Tenants, whether held in cash or any other form, shall be held in compliance with all Legal Requirements and shall not be commingled with any other funds of Borrower to the extent required by applicable law. Upon the foreclosure of the Lien of the Mortgage, Borrower shall, in accordance with applicable Legal Requirements, cause all cash security deposits (and any interest theretofore earned thereon) to be transferred to the transferee of the Property following the foreclosure sale or, in the case of a letter of credit, cause physical possession thereof to be delivered to such transferee.

Section 4.12. **Repairs; Maintenance and Compliance; Alterations.**

4.12.1 **Repairs; Maintenance and Compliance.** Borrower shall at all times cause the Property to be maintained in a good and safe condition and repair (in accordance with reasonable market practice for properties of similar type and size), subject to ordinary wear and tear, and shall not remove, demolish or alter the Improvements or Equipment (except for alterations performed in accordance with Section 4.12.2 below and as permitted in Article 7). Borrower shall comply with all Legal Requirements and cure properly any violation of a Legal Requirement to the extent that such noncompliance or violation as would reasonably be expected to result in, or does result in, a Material Adverse Effect.

4.12.2 **Alterations.**

(a) Borrower shall not, without Lender's consent (such consent not to be unreasonably withheld, conditioned or delayed), perform alterations to the Improvements and Equipment which constitute a Material Alteration or would reasonably be expected to result in a Material Adverse Effect. At any time the outstanding costs of all alterations then being performed at the Property exceeds the Alteration Threshold, Borrower shall deliver to Lender security for payment of the cost of such alterations in excess of the Alteration Threshold, as additional security for Borrower's Obligations under the Loan Documents, which security may be any of the following: (i) cash or cash equivalents, (ii) subject to the limitations set forth in Section 6.11, a Letter of Credit, (iii) subject to the limitations set forth in Section 6.11, an Alteration Deficiency Guaranty or (iv) such other security as may be reasonably approved by Lender (subject to the provisions of Section 4.12.2(b)). Such security shall be in an amount equal to the excess of the total unpaid amounts incurred and to be incurred in order to complete such alterations to the Improvements (other than such amounts to be paid or reimbursed by Tenants under the Leases) over the Alteration Threshold (the amount of such excess, an "Alteration Deficiency") and Lender may apply such security from time to time at the option of Lender to pay for such alterations if any unpaid amounts are required to be paid pursuant to the Loan Documents and Borrower has not made the applicable payments (subject to Borrower's right to contest such payments in good faith). Borrower shall be entitled to a reduction or

release, as the case may be, of such security being held by Lender from time to time (but not more than once per calendar month) as the unpaid amounts incurred and to be incurred with respect to such alterations to the Improvements are reduced due to partial completion. Upon substantial completion of any Material Alteration, Borrower shall provide a certificate of substantial completion in form and substance reasonably acceptable to Lender or other evidence reasonably satisfactory to Lender that (i) the Material Alteration was constructed in accordance with applicable Legal Requirements, (ii) all contractors, subcontractors, materialmen and professionals who provided work, materials or services in connection with the Material Alteration have been paid in full and have delivered unconditional releases of liens (or such liens have otherwise been fully bonded over to the reasonable satisfaction of Lender or fully insured by the title company issuing the Title Insurance Policy), and (iii) all material licenses and permits necessary for the use, operation and occupancy of the Material Alteration (other than those which depend on the performance of Tenant improvement work) have been issued. If Borrower has provided cash security, as provided above, such cash shall be released by Lender to fund such Material Alterations, and if Borrower has provided non-cash security, as provided above, Lender shall, on a ratable basis as the Material Alterations are completed and in full upon substantial completion, release and return such security (or in the case of an Alteration Deficiency Guaranty, terminate such Alteration Deficiency Guaranty), provided that the amount of such security held by Lender shall at no time be less than the then remaining Alteration Deficiency, as the same may be reduced due to partial completion.

(b) Notwithstanding anything to the contrary contained in this Section 4.12.2, whenever Lender's approval or consent is required pursuant to the provisions of this Section 4.12.2, Lender's consent shall be deemed given if:

(i) the first correspondence from Borrower to Lender requesting such approval or consent contains a bold-faced, conspicuous legend at the top of the first page thereof stating that "**FIRST NOTICE: THIS IS A REQUEST FOR CONSENT UNDER THE LOAN BY LENDER TO 731 OFFICE ONE LLC. FAILURE TO RESPOND TO THIS REQUEST WITHIN FIVE (5) BUSINESS DAYS MAY RESULT IN THE REQUEST BEING DEEMED GRANTED**", and is accompanied by such information and documents as Borrower believes in good faith are reasonably required for Lender to adequately evaluate such request and as requested by Lender in writing prior to the expiration of such five (5) Business Day period; and

(ii) if Lender fails to respond to or to deny such request for approval or consent in writing within such five (5) Business Day period, a second notice requesting approval is delivered to Lender from Borrower containing a bold-faced, conspicuous legend at the top of the first page thereof stating that "**SECOND AND FINAL NOTICE: THIS IS A REQUEST FOR CONSENT UNDER THE LOAN BY LENDER 731 OFFICE ONE LLC. FAILURE TO APPROVE OR DENY THIS REQUEST IN WRITING WITHIN FIVE (5) BUSINESS DAYS WILL RESULT IN YOUR APPROVAL BEING DEEMED GIVEN**", and is accompanied by such information and documents as Borrower believes in good faith are reasonably required for Lender to adequately evaluate such request and as requested by Lender in writing prior to the expiration of such five (5) Business Day period, Lender fails to approve or deny (and, in the case of a denial, stating the grounds therefor in reasonable detail) such request for approval or consent within such second five (5) Business Day period.

Section 4.13. **Insolvency Opinion.** Borrower shall conduct its business so that the assumptions made with respect to Borrower in the Insolvency Opinion shall be true and correct in all material respects.

Section 4.14. **Property Management.**

4.14.1 **Management Agreement/Leasing Agreement.** Borrower shall (i) promptly perform and/or observe all of the material covenants and agreements required to be performed and observed by it under the Management Agreements and the Leasing Agreement, except where the same would not reasonably be expected to have a Material Adverse Effect; (ii) promptly notify Lender of any "event of default" under any Management Agreement and the Leasing Agreement of which it is aware, except where the same would not reasonably be expected to have a Material Adverse Effect; and (iii) enforce in a commercially reasonable manner the performance and observance of the material covenants and agreements required to be performed and/or observed by the Manager under the Management Agreements and the Leasing Agreement, except where the same is would not reasonably be expected to have a Material Adverse Effect.

4.14.2 **Prohibition Against Termination or Modification.** Borrower shall not (i) surrender, terminate or cancel (unless being replaced with a Qualified Manager and a new Management Agreement) or modify in any material respect, renew or extend (unless the renewal or extension is on substantially the same terms as the previous Management Agreement) any Management Agreement, (ii) surrender, terminate or cancel (unless being replaced with a Qualified Manager and a new Leasing Agreement) or materially modify, renew or extend (unless the renewal or extension is on substantially the same terms as the previous Leasing Agreement) the Leasing Agreement, (iii) enter into any other agreement relating to the management or operation of the Property with Manager, Leasing Agent or any other Person (other than the Management Agreements or the Leasing Agreement or pursuant to the express terms of the Management Agreement and the Leasing Agreement), provided, that (a) Manager may sub-contract to a Qualified Manager the management responsibilities of Manager under a Management Agreement pursuant to a sub-management agreement, provided, that (1) the fees and charges payable under any such sub-management agreement do not exceed the management fees and charges payable to Manager under such Management Agreement and are the sole obligation of Manager, (2) any sub-management agreement terminates in the event of a termination of the Management Agreement, and (3) Borrower shall have no obligations or liabilities under any such sub-management agreement and (b) Leasing Agent may sub-contract to a Qualified Manager the management responsibilities of Leasing Agent under a Leasing Agreement pursuant to a sub-leasing agreement, provided, that (1) the fees, charges and commissions payable under any such sub-leasing agreement do not exceed the fees, charges and commissions payable to the Leasing Agent under such Leasing Agreement and are the sole obligation of the Leasing Agent, (2) any sub-leasing agreement terminates in the event of a termination of the Leasing Agreement, and (3) Borrower shall have no obligations or liabilities under any such sub-leasing agreement, (iv) consent to the assignment by the Manager of its interest under any Management Agreement or by Leasing Agent of its interest under any Leasing Agreement other than, in each case, to a Qualified Manager, or (v) waive or release any of its rights and remedies under any Management Agreement or the Leasing Agreement, except where the same is would not reasonably be expected to have a Material Adverse Effect, in each case without the express consent of Lender, which consent shall not be unreasonably withheld,

conditioned or delayed; provided, however, for the appointment by Borrower of a new property manager or leasing agent (other than a Qualified Manager) such consent may also, if all or part of the Loan is being or has been included in a Securitization, be conditioned upon Borrower delivering a Rating Agency Confirmation from each applicable Rating Agency as to such new property manager and its management agreement. Notwithstanding the foregoing, however, provided no Event of Default is continuing, neither the approval of Lender nor a Rating Agency Confirmation shall be required with respect to the appointment of a Qualified Manager. If at any time Lender consents to the appointment of (x) a new property manager or a Qualified Manager is appointed, such new property manager (including a Qualified Manager) and Borrower shall execute (i) a management agreement in form and substance substantially similar to the form and substance of the Management Agreements in effect on the Closing Date or as otherwise reasonably acceptable to Lender, and (ii) a subordination of management agreement in a form substantially similar to the Assignment of Management Agreement entered into on the Closing Date or such other form as is reasonably acceptable to Lender or (y) a new leasing agent, such new leasing agent (including a Qualified Manager) and Borrower shall execute (i) a leasing agreement in, if such new leasing agent is an Affiliate of Borrower, form and substance substantially similar to the form and substance of the Leasing Agreement in effect on the Closing Date or as otherwise on customary market terms, and (ii) an assignment of leasing agreement in, if such new leasing agent is an Affiliate of Borrower, a form substantially similar to the Assignment of Leasing Agreement entered into on the Closing Date or otherwise such other form as is reasonably acceptable to Lender. The management fee payable to Manager under the Management Agreements shall be subordinate to the Mortgage and the other Loan Documents and to all payments then due and payable under the Loan Documents (including, without limitation, all payments of Debt Service and all required deposits of Reserve Funds) and shall not exceed at any time during the term of the Loan two percent (2.0%) of Operating Income on an annual basis in the aggregate.

4.14.3 **Replacement of Manager.** Lender shall have the right to require Borrower to replace the Manager with (x) an Unaffiliated Qualified Manager (or another Affiliate of the Interstate Parties, VRLP or VRT in the case of clause (ii) below) selected by Borrower or (y) another property manager chosen by Borrower and reasonably approved by Lender (provided, that such approval may, if all or part of the Loan is being or has been included in a Securitization, be conditioned upon Borrower delivering a Rating Agency Confirmation as to such new property manager and management agreement) under any of the following circumstances: (i) at any time following the occurrence of an Event of Default and an acceleration of the Loan, (ii) if the Manager shall become insolvent or a debtor in any bankruptcy or insolvency proceeding, or (iii) if at any time the Manager has engaged in gross negligence, fraud, willful misconduct or misappropriation of funds unless Lender receives evidence reasonably acceptable to Lender that the person or persons responsible for such acts or omissions have been permanently removed from working on matters related to the Property and Manager has paid to Lender any out-of-pocket losses actually incurred by Lender as a direct result of such acts or omissions; provided, however, that prior to Borrower's becoming so obligated under clause (ii) above, Borrower shall have ten (10) Business Days, from and after the date of such request, within which to provide evidence reasonably satisfactory to Lender that Manager is no longer insolvent or such proceeding has been dismissed, as applicable, in which case Borrower shall not become so obligated.

4.14.4 **Termination of Leasing Agreement.** Lender shall have the right to require Borrower to replace the Leasing Agent with (x) an Unaffiliated Qualified Manager (or another Affiliate of the Interstate Parties, VRLP or VRT in the case of clause (ii) below) selected by Borrower or (y) another leasing agent chosen by Borrower and reasonably approved by Lender (provided, that such approval may, if all or part of the Loan is being or has been included in a Securitization, be conditioned upon Borrower delivering a Rating Agency Confirmation as to such new leasing agent and leasing agreement) under any of the following circumstances: (i) at any time following the occurrence of an Event of Default and an acceleration of the Loan, (ii) if the Leasing Agent shall become insolvent or a debtor in any bankruptcy or insolvency proceeding, or (iii) if at any time the Leasing Agent has engaged in gross negligence, fraud, willful misconduct or misappropriation of funds unless Lender receives evidence reasonably acceptable to Lender that the person or persons responsible for such acts or omissions have been permanently removed from working on matters related to the Property and the Leasing Agent has paid to Lender any out-of-pocket losses actually incurred by Lender as a direct result of such acts or omissions; provided, however, that prior to Borrower's becoming so obligated under clause (ii) above, Borrower shall have ten (10) Business Days, from and after the date of such request, within which to provide evidence reasonably satisfactory to Lender that the Leasing Agent is no longer insolvent or such proceeding has been dismissed, as applicable, in which case Borrower shall not become so obligated.

Section 4.15. **Performance by Borrower.** Borrower shall in a timely manner observe, perform and fulfill each and every covenant, term and provision of each Loan Document required to be performed, observed or fulfilled by Borrower.

Section 4.16. **Licenses.** Borrower shall keep and maintain all Licenses necessary for the operation of the Property as an office and storage property, to the extent the failure to do so would reasonably be expected to or does result in a Material Adverse Effect.

Section 4.17. **Further Assurances.** Borrower shall, at Borrower's sole cost and expense:

(a) cure any defects in the execution and delivery of the Loan Documents and execute and deliver, or cause to be executed and delivered, to Lender such documents, instruments, certificates, assignments and other writings, and do such other acts necessary to correct the Loan Documents (without in any way increasing the obligations of Borrower (other than to a de minimis extent) or reducing Borrower's rights under the Loan Documents (other than to a de minimis extent)), to evidence, preserve and/or protect the collateral at any time securing or intended to secure the Obligations, as Lender may reasonably require; and

(b) do and execute all and such further lawful and reasonable acts, conveyances and assurances necessary to carry out the intents and purposes of this Agreement and the other Loan Documents, as Lender may reasonably require from time to time, provided that in no event shall Borrower be required to do or execute any act, conveyance or assurance that impose greater obligations or liabilities on Borrower (other than to a de minimis extent) or reduce Borrower's rights under the Loan Documents from those otherwise provided for therein (other than to a de minimis extent).

Section 4.18. **Estoppel Statement.**

(a) After written request by Lender, Borrower shall within ten (10) Business Days furnish Lender with a statement, duly acknowledged and certified, stating (i) the Outstanding Principal Balance of the Note, (ii) the Interest Rate, (iii) the date installments of interest and/or principal were last paid, (iv) any offsets or defenses to the payment and performance of the Obligations, if any, and (v) that this Agreement and the other Loan Documents have not been modified or if modified, giving particulars of such modification.

(b) Borrower shall use commercially reasonable efforts to deliver to Lender, within thirty (30) days following Lender's written request, an estoppel certificate from each Tenant under any Lease in the form required pursuant to its Lease or otherwise in form and substance reasonably satisfactory to Lender; provided, that Borrower shall not be required to deliver such certificates more frequently than one (1) time in any six (6) month period.

(c) Borrower shall use commercially reasonable efforts to deliver to Lender, within thirty (30) days following Lender's written request, an estoppel certificate from the Condominium Board in the form required pursuant to the Condominium Declaration or otherwise in form and substance reasonably satisfactory to Lender; provided, that Borrower shall not be required to deliver such certificate more than one (1) time in any six (6) month period.

Section 4.19. **Notice of Default.** Borrower shall promptly advise Lender of the occurrence of any Default or Event of Default of which Borrower has knowledge.

Section 4.20. **Cooperate in Legal Proceedings.** Borrower shall cooperate in a commercially reasonable manner with Lender with respect to any proceedings before any court, board or other Governmental Authority which would, if adversely determined, reasonably be expected to have a Material Adverse Effect and, in connection therewith, permit Lender, at its election, to participate in any such proceedings (other than those proceedings in which Borrower and any Lender are adverse parties).

Section 4.21. **Indebtedness.** Borrower shall not directly or indirectly create, incur or assume any Indebtedness other than (i) the Debt and the other Obligations and liabilities specifically provided for in the Loan Documents, (ii) unsecured trade payables incurred in the ordinary course of business relating to the ownership and operation of the Property, which in the case of such unsecured trade payables (A) are not evidenced by a note, (B) do not exceed, at any time, a maximum aggregate amount of four percent (4%) of the Loan Amount and (C) are paid within sixty (60) days of the date billed, (iii) accrued tenant improvement costs and leasing commissions due pursuant to the terms of any Lease approved or deemed approved hereunder, and (iv) amounts due under equipment leases, so long as such amounts, together the amounts due under clause (ii) do not exceed four percent (4%) of the Loan Amount (collectively, "**Permitted Indebtedness**"). For avoidance of doubt, and without limiting any other provisions of this Agreement, the immediately preceding sentence shall not restrict the creation, incurrence or assumption of any Indebtedness by any Person owning any direct or indirect interest in Borrower. Nothing contained herein shall be deemed to require Borrower to pay any amount, so long as Borrower is in good faith, and by proper legal proceedings, diligently contesting the validity, amount or application thereof, provided that in each case, at the time of the commencement of any such action or proceeding, and during the pendency of such action or proceeding (1) no Event of Default shall exist and be continuing, (2) adequate reserves with respect thereto are maintained on the books of Borrower in accordance with GAAP, and (3) such contest operates to suspend collection or enforcement, as the case may be, of the contested

amount and such contest is maintained and prosecuted continuously and with diligence. Notwithstanding anything set forth herein, in no event shall Borrower be permitted under this provision to enter into a note (other than the Note and the other Loan Documents) or other instrument for borrowed money.

Section 4.22. **Business and Operations.** Borrower will continue to engage in the businesses presently conducted by it as and to the extent the same are necessary for the ownership, maintenance, management and operation of the Property. Borrower will qualify to do business and will remain in good standing under the laws of the state in which the real property comprising the Property is located and to the extent the same are required for the ownership, maintenance, management and operation of the Property.

Section 4.23. **Dissolution.** Borrower shall not (i) cause, permit or suffer the taking of any action, or omitting to take any action, which results in Borrower being dissolved, wound up or liquidated in whole or in part, in each case without obtaining the prior consent of Lender or (ii) dissolve, wind up, liquidate or merge with any other Person, in each case without obtaining the prior consent of Lender.

Section 4.24. **Debt Cancellation.** Borrower shall not cancel or otherwise forgive or release any material claim or debt (other than the termination of Leases in accordance herewith and the settlement of claims against Tenants and/or service providers in connection with such Persons' defaults) owed to Borrower by any Person, except for adequate consideration and in the ordinary course of Borrower's business.

Section 4.25. **Affiliate Transactions.** Borrower shall not enter into, or be a party to, any transaction with a Borrower Affiliate or any of the partners, members or shareholders, as applicable, of Borrower except in the ordinary course of business upon terms and conditions that are commercially reasonable and substantially similar to those that would be available on an arm's-length basis with third parties other than such affiliated party.

Section 4.26. **No Joint Assessment.** Borrower shall not suffer, permit or initiate the joint assessment of the portion of the Property which constitutes real property (i) with any other real property constituting a tax lot separate from the Property or (ii) with any portion of the Property which may be deemed to constitute personal property, or any other procedure whereby the lien of any taxes which may be levied against such personal property shall be assessed or levied or charged to the portion of the Property which constitutes real property.

Section 4.27. **Condominium Covenants.**

(a) Borrower shall (i) perform all of its obligations under the Condominium Documents, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect and (ii) subject to its right to contest, if any, under the Condominium Documents, pay, when due and payable, all Condominium Charges.

(b) If Borrower shall default in the performance or observance of any term, covenant or condition of any of the Condominium Documents on the part of Borrower to be performed or observed and the same would reasonably be expected to have a Material Adverse Effect, then, after the expiration of any applicable notice and cure periods provided for herein and without limiting the generality of the other provisions of the Mortgage and this Agreement

and without waiving or releasing Borrower from any of its obligations hereunder, Lender shall have the right, but shall be under no obligation, to pay any sums and to perform any act or take any action as may be appropriate to cause all of the terms, covenants and conditions of the Condominium Documents on the part of Borrower, to be performed or observed or to be promptly performed or observed on behalf of Borrower. Lender and any person designated as Lender's agent by Lender shall have, and are hereby granted, the right to enter upon the Property at any reasonable time, upon reasonable notice and from time to time for the purpose of taking any such action, and any such amounts so paid by Lender, and the reasonable out-of-pocket cost of such actions by Lender, shall be reimbursed by Borrower within five (5) Business Days of written notice to Borrower from Lender and if not so reimbursed shall be added to the Debt and shall bear interest at the Default Rate until reimbursed.

(c) Without Lender's prior consent (which shall not be unreasonably withheld, conditioned or delayed), Borrower shall not vote at any meeting of owners of Units or permit its representatives on the Condominium Board to vote, or take any action whatsoever, respecting (i) any material modification, change, supplement, alteration or amendment to any of the Condominium Documents, (ii) the removal of a Unit from the Condominium, (iii) any partition of all or a part of the property subject to the Condominium Declaration, (iv) any waiver or release of any material rights of Borrower under the Condominium Documents or any material increase in the obligations of Borrower thereunder, (v) any adverse change in the nature of or decrease in the amount of any insurance covering all or a part of the Property and/or the Common Elements and the disposition of any proceeds thereof which would cause a violation of this Agreement or the other Loan Documents, including, without limitation, resulting in any failure to satisfy any of the requirements set forth in Section 5.1 hereof, (vi) the disposition of any excess insurance or Condemnation proceeds, (vii) a response to or action upon any Casualty, Condemnation, Material Alteration or any other matter which requires Lender's approval hereunder or the other Loan Documents or is, in each case, prohibited hereunder or the other Loan Documents unless Borrower satisfies the relevant conditions under the Loan Documents applicable to the matter for which Lender's approval is required hereunder or the other Loan Documents, or (viii) the assessment or levy of any special assessment.

(d) Borrower shall not take (or cause to be taken) any action under the Condominium Documents that would be reasonably expected to result in the Mortgage not being "Permitted Mortgage" and/or Lender not being a "Permitted Mortgagee" of the Property within the meaning of the Condominium Declaration.

(e) Subject to and in accordance with the terms and conditions of the Condominium Proxy, Borrower has appointed Lender as Borrower's true and lawful attorney and proxy to vote, consent and otherwise act, on behalf of Borrower under the Condominium Documents, as a unit owner with respect to Borrower's ownership of the Units, at all annual, special, and other meetings of the unit owners of the Condominium (or by written consent in lieu thereof) and at any other time Borrower is required to vote, consent or act as a unit owner, including without limitation, the right to designate, remove, or replace the members and officers of the Condominium Board that Borrower is entitled to designate, remove or replace. Prior to the occurrence of an Event of Default, Lender's rights under the Condominium Proxy shall only be exercised in connection with (i) any amendment or modification to a material term or provision of the Condominium Documents which would reasonably be expected to have a Material Adverse Effect, (ii) any casualty and/or condemnation at the Property (including,

without limitation, pursuant to Section 6.3.4 of the Bylaws and/or (iii) any vote to withdraw the Property from the provisions of the Condominium Act of the State of New York or any termination of the Condominium Documents. Borrower shall not revoke any Condominium Proxy so long as the Loan is outstanding.

(f) Borrower, for and on behalf of itself and its direct and indirect successors and assigns as the owner of the Units which comprise the Property (i) irrevocably waives, to the extent permitted by law, any applicable law which grants to the trustees, members or managers of the Condominium Board and/or the owners of the condominium units rights to Net Proceeds derived from the Condominium Unit(s) owned by Borrower in the event of a Casualty or a Condemnation which are inconsistent with the provisions of this Agreement and (ii) expressly agrees to the application of the Net Proceeds related to the Condominium Unit(s) owned by Borrower in accordance with the provisions of this Agreement.

(g) On the Closing Date, Borrower shall (or shall cause each member of the Condominium Board appointed by Borrower to) execute and deliver to Lender an undated conditional resignation (a "**Conditional Resignation**"), whereby Borrower (or the members of the Condominium Board appointed by Borrower) tenders its resignations from the Condominium Board and instructs the Condominium Board that the successor members shall be designated by Lender, effective upon written notice from Lender to the Condominium Board that an Event of Default has occurred and is continuing; it being understood and agreed that such notice from the Lender shall be conclusive evidence that an Event of Default has occurred and is continuing and the Condominium Board may rely on such notice from Lender without any further inquiry or investigation. Upon the occurrence of an Event of Default, Lender may, by notice to Borrower, tender any Conditional Resignation, now or hereafter delivered in connection with the Loan to the Condominium Board, whereupon the resignation of any such member shall become effective and successor members to the Condominium Board shall be designated by Lender for so long as an Event of Default is continuing, provided that upon the waiver or cure which is accepted by Lender of the Event of Default, the members of the Condominium Board appointed by Lender shall immediately resign from the Condominium Board and the members of the Condominium Board appointed by Borrower shall be reinstated. Upon the release of any Condominium Unit from the Lien of the Mortgage, Lender shall promptly return any Conditional Resignation with respect to any Condominium Board member applicable to such Condominium Unit to Borrower and any such member appointed by Lender shall immediately resign from the Condominium Board.

(h) In the event of any removal or resignation of a member of the Condominium Board appointed by Borrower, Borrower shall promptly appoint a successor member to the Condominium Board who is either (i) approved in writing by Lender (such approval not to be unreasonably withheld, conditioned or delayed) or (ii) a Person employed or Controlled by Guarantor, VRT, VRLP or any of their respective subsidiaries, and concurrently with such successor's appointment to the Condominium Board, Borrower shall deliver to Lender a Conditional Resignation executed by such successor member.

(i) Borrower will do all things reasonably necessary to preserve and to keep unimpaired its material rights, powers and privileges under the Condominium Documents and to prevent the termination or expiration of the Condominium Documents, or the withdrawal of the Property from a condominium form of ownership under applicable law, to the end that Borrower may enjoy all of the material rights granted to it as a party to the Condominium Documents.

(j) Borrower will:

(i) promptly notify Lender of the receipt by Borrower of any notice from the Condominium Board or the owner of any other Unit not owned by Borrower, asserting or claiming a default by Borrower under the Condominium Documents or lack of compliance by Borrower with the Condominium Documents, in each case where such assertion or claim, or the alleged default or lack of compliance, would reasonably be expected to result in a Material Adverse Effect;

(ii) promptly notify Lender of the receipt by Borrower of any notice or request from the Condominium Board or the owner of any other Condominium Unit not owned by Borrower of the termination or purported termination of the Condominium Documents or to withdraw the Property from the Condominium pursuant to applicable law or to seek any action for partition; and

(iii) promptly cause a copy of each notice or request described in clauses (i) or (ii) above received by Borrower from the Condominium Board or the owner of any other Unit not owned by Borrower, or from a holder of any mortgage or deed of trust on such other Unit, to be delivered to Lender. Borrower will permit Lender to participate in any such partition or withdrawal proceeding to the extent permitted by law and the Condominium Documents (but Lender shall not be obligated so to do). Borrower will promptly deliver to Lender a copy of each notice, pleading, brief and preliminary, interim and final determination or decision and other papers received by it in each such partition or withdrawal proceeding.

Section 4.28. **Change of Name, Identity or Structure.** Borrower shall not change Borrower's name or convert from a Delaware limited liability company structure into any other organizational form (including changing to a different jurisdiction other than Delaware) without first obtaining the prior written consent of Lender, such consent not to be unreasonably withheld, conditioned or delayed. Borrower shall execute and deliver to Lender, prior to or contemporaneously with the effective date of any such change, any financing statement or financing statement change reasonably required by Lender to establish or maintain the validity, perfection and priority of the security interest granted herein.

Section 4.29. **Costs and Expenses.**

(a) Except as otherwise expressed herein or in any of the other Loan Documents, Borrower shall pay or, if Borrower fails to pay, reimburse Lender upon receipt of notice from Lender, for all reasonable out-of-pocket costs and expenses (including reasonable attorneys' fees and disbursements) incurred by Lender in accordance with the terms of this Agreement and the other Loan Documents in connection with (i) Lender's ongoing performance of and compliance with all agreements and covenants contained in this Agreement and the other Loan Documents on its part to be performed or complied with after the Closing Date (except to the extent expressly set forth in Section 10.21(a) hereof); (ii) the negotiation, preparation, execution and delivery of any consents, amendments, waivers or other modifications to this Agreement and the other Loan Documents and any other documents or matters, in each case requested by Borrower (including the fees of any Rating Agencies payable in connection therewith); (iii) filing and recording of any Loan Documents in connection with the origination

of the Loan; (iv) the creation, perfection or protection of Lender's Liens in the Property and the Accounts (including intangibles taxes, personal property taxes, mortgage recording taxes, and costs of environmental reports contemplated in the Loan Documents); (v) during the continuance of an Event of Default and after and for so long as the Loan is specially serviced, inspections and appraisals (whether by or on behalf of Lender and/or Servicer); (vi) enforcing or preserving any rights in response to third party claims or the prosecuting or defending of any action or proceeding or other litigation, in each case against, under or affecting Borrower, the Loan Documents, the Property, or any other security given for the Loan; (vii) fees charged by Servicer, subject to the limitations set forth in Section 10.21; (viii) enforcing any Obligations of or collecting any payments due from Borrower under this Agreement, the other Loan Documents or with respect to the Property or in connection with any refinancing or restructuring of the credit arrangements provided under this Agreement in the nature of a "work-out" or of any insolvency or bankruptcy proceedings (but subject, with respect to the servicing fees, to the limitations set forth in Section 10.21 hereof); (ix) any losses, costs, damages or expenses (including reasonable attorneys' fees and court costs) incurred by Lender if an interest in the Property, other than as permitted hereunder, is claimed by another Person (other than any loss, damage or expense which constitutes a diminution in value of the Lender's interest in the Loan); and (x) after the occurrence and during the continuance of an Event of Default, any costs incurred by Lender to examine such books, records and accounts as Lender shall determine to be reasonably necessary or appropriate in the protection of Lender's interests; provided, however, that Borrower shall not be liable for the payment of any such costs and expenses (A) to the extent the same arise by reason of the gross negligence, illegal acts, fraud or willful misconduct of Lender or any servicer of the Loan, (B) to the extent the same are the costs of the actual Securitization of the Loan, (C) to the extent the same arise by reason of Lender's monitoring of Borrower's ongoing performance and compliance of its agreements and covenants contained in the Loan Documents, including confirming compliance with the insurance, environmental and financial reporting covenants, (D) any costs incurred by Lender with respect to a claim or adjudication brought by Borrower or Guarantor pursuant to Section 10.12 hereof in which it is finally determined that Lender acted in bad faith or the relief sought by Borrower is granted pursuant to a final judgment and (E) in any other instance herein or in any other Loan Document that provides that the matter in question is to be "at Lender's expense" or "at no cost to Borrower" or words of similar import.

(b) In addition, in connection with any Rating Agency Confirmation, Review Waiver or other Rating Agency consent, approval or review requested by Borrower or required hereunder (other than the initial review of the Loan by the Rating Agencies in connection with a Securitization, and any ongoing monitoring of the Loan in connection with such Securitization), Borrower shall pay all of the reasonable out-of-pocket costs and expenses of Lender and each Rating Agency in connection therewith, and, if applicable, shall pay any fees imposed by any Rating Agency in connection therewith.

(c) Any costs and expenses due and payable by Borrower hereunder which are not paid by Borrower within ten (10) Business Days after written demand therefor may be paid from any amounts in the Deposit Account, with notice thereof to Borrower. The obligations and liabilities of Borrower under this Section 4.29 shall (i) become part of the Obligations, (ii) be secured by the Loan Documents and (iii) survive the Term and the exercise by Lender of any of its rights or remedies under the Loan Documents, including the acquisition of the Property by foreclosure or a conveyance in lieu of foreclosure.

Section 4.30. **Indemnity.** Subject to Section 10.1, Borrower shall indemnify, defend and hold harmless Lender from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs and expenses (including reasonable out-of-pocket attorneys' fees and expenses but specifically excluding any Lender or Servicer fees), imposed on, incurred by, or asserted against Lender in any manner relating to or arising out of (i) any breach by Borrower of its Obligations under, or any material misrepresentation by Borrower contained in, this Agreement or the other Loan Documents (other than any loss, damage or expense which constitutes a diminution in value of the Lender's interest in the Loan); (ii) ownership of the Mortgage, the Property or any interest therein, or receipt of any Rents; (iii) any accident, injury to or death of persons or loss of or damage to property occurring in, on or about the Property or on the adjoining sidewalks, curbs, adjacent property or adjacent parking areas, streets or ways; (iv) any use, nonuse or condition in or of the Property; (v) performance of any labor or services or the furnishing of any materials or other property in respect of the Property; (vi) any failure of the Property to comply with any Legal Requirement; (vii) any claim by brokers, finders or similar persons claiming to be entitled to a commission in connection with any Lease or other transaction involving the Property or any part thereof, or any liability asserted against Lender with respect thereto (other than any broker or agent retained by or on behalf of Lender in connection with the Loan and other than any claim arising from Lender's misrepresentation in Section 10.19); and (viii) the claims of any lessee of any portion of the Property or any Person acting through or under any lessee or otherwise arising under or as a consequence of any Lease (collectively, the "**Indemnified Liabilities**"); provided, however, that Borrower shall not have any obligation to Lender hereunder to the extent that such Indemnified Liabilities (x) arise from the gross negligence, illegal acts, fraud or willful misconduct of Lender, (y) relate to the period subsequent to (1) the acceptance by Lender or its designee of a deed-in-lieu of foreclosure with respect to the Property or (2) the foreclosure of the Mortgage, or (z) from any claims and/or actions by, between or among holders of the Note and/or any servicer hereunder. To the extent that the undertaking to indemnify, defend and hold harmless set forth in the preceding sentence may be unenforceable because it violates any law or public policy, Borrower shall pay the maximum portion that it is permitted to pay under applicable law toward the Indemnified Liabilities.

Section 4.31. **ERISA.**

(a) Neither Borrower nor Guarantor shall engage in any transaction which would cause any obligation, or action taken or to be taken, hereunder (or the exercise by Lender of any of its rights under the Note, this Agreement or the other Loan Documents) to be a non-exempt (under a statutory or administrative class exemption) prohibited transaction under ERISA.

(b) Throughout the Term, (i) neither Borrower nor Guarantor shall be an "employee benefit plan," as defined in Section 3(3) of ERISA, or a "plan" within the meaning of Section 4975 of the Code, (ii) none of the assets of Borrower or Guarantor will constitute "plan assets" of one or more such employee benefit plans or plans within the meaning of 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA, and (iii) neither Borrower nor Guarantor will be a "governmental plan" within the meaning of Section 3(32) of ERISA.

(c) Borrower further covenants and agrees to deliver to Lender such certifications or other evidence from time to time throughout the Term, as requested by Lender in its sole discretion, that one or more of the following circumstances is true with respect to each of

Borrower and Guarantor: (i) equity interests in Borrower or Guarantor, as applicable, are "publicly-offered securities," within the meaning of 29 C.F.R. §2510.3-101(b)(2); (ii) less than twenty-five percent (25%) of the value of each outstanding class of equity interests in Borrower or Guarantor, as applicable, is held by "benefit plan investors" within the meaning of 29 C.F.R. §2510.3-101(f)(2), as modified by Section 3(42) of ERISA; or (iii) Borrower or Guarantor, as applicable, qualifies as an "operating company" or a "real estate operating company" within the meaning of 29 C.F.R. §2510.3-101(c) or (e).

(d) Except for obligations to contribute to any Multiemployer Plan maintained by any ERISA Affiliate, Borrower shall not maintain or contribute to, or agree to maintain or contribute to, or permit any ERISA Affiliate to maintain or contribute to or agree to maintain or contribute to, any "employee benefit plan," as defined in Section 3(3) of ERISA, that is subject to Title IV or Section 302 of ERISA or Section 412 of the Code. During the Term, Borrower shall not, without the Lender's prior written consent, permit any ERISA Affiliate to take any action that would cause an ERISA Affiliate to incur "Withdrawal Liability" as defined in ERISA.

Section 4.32. **Patriot Act Compliance.**

(a) Borrower will use its good faith and commercially reasonable efforts to comply with the Patriot Act and all applicable requirements of Governmental Authorities having jurisdiction over Borrower and/or the Property, except, with respect to any such requirements other than the Patriot Act and requirements related to anti-money laundering and terrorism, where such failure or noncompliance as would not reasonably be expected to result in a Material Adverse Effect. If required pursuant to the Patriot Act or any other Legal Requirement, Lender shall have the right to audit Borrower's compliance with the Patriot Act and all applicable requirements of Governmental Authorities having jurisdiction over Borrower and/or the Property, including those relating to money laundering and terrorism. In the event that Borrower fails to comply with the Patriot Act or any such requirements of Governmental Authorities, then Lender may, at its option, cause Borrower to comply therewith and any and all reasonable out-of-pocket costs and expenses incurred by Lender in connection therewith shall be secured by the Mortgage and the other Loan Documents and shall be immediately due and payable.

(b) Neither Borrower nor any owner of a direct or indirect interest of 5% or greater in Borrower (other than holders of interests in VRLP (other than VRT) and/or VRT) and/or ALX. (i) is listed on any Government Lists, (ii) is a person who has been determined by competent authority to be in violation of the prohibitions contained in Presidential Executive Order No. 13224 (Sept. 23, 2001) or any other similar prohibitions contained in the rules and regulations of OFAC or in any enabling legislation or other Presidential Executive Orders in respect thereof, or (iii) has been previously indicted for or convicted for any Patriot Act Offense, in each case, with the result that the Loan made by Lender is in violation of applicable Legal Requirements. For purposes hereof, the term "***Patriot Act Offense***" means any violation of the criminal laws of the United States of America or of any of the several states, or that would be a criminal violation if committed within the jurisdiction of the United States of America or any of the several states, relating to terrorism or the laundering of monetary instruments, including any offense under (A) the criminal laws against terrorism, (B) the criminal laws against money laundering, (C) the Bank Secrecy Act, as amended, (D) the Money Laundering Control Act of 1986, as amended, or (E) the Patriot Act, provided that "***Patriot Act Offense***" also includes the crimes of conspiracy to commit, or aiding and abetting another to commit, a Patriot Act Offense.

For purposes hereof, the term “**Government Lists**” means (1) the Specially Designated Nationals and Blocked Persons Lists maintained by the Office of Foreign Assets Control (“**OFAC**”), (2) any other list of terrorists, terrorist organizations or narcotics traffickers maintained pursuant to any of the rules and regulations of OFAC that Lender notified Borrower in writing in advance is now included in “**Government Lists**”, or (3) any similar lists maintained by the United States Department of State, the United States Department of Commerce or any other Governmental Authority or pursuant to any Executive Order of the President of the United States of America that Lender notified Borrower in writing in advance is now included in “**Government Lists**”.

(c) At all times throughout the term of the Loan, including after giving effect to any Transfers permitted pursuant to the Loan Documents, (i) none of the funds or other assets of Borrower shall constitute property of, or shall be beneficially owned, directly or, to Borrower’s knowledge, indirectly, by any Person subject to trade restrictions under United States law, including, but not limited to, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 et seq., The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., and any Executive Orders or regulations promulgated thereunder, with the result that the investment in Borrower (whether directly or indirectly), would be prohibited by such laws (each, an “**Embargoed Person**”), or the Loan made by Lender would be in violation of such laws, (ii) no Embargoed Person shall have any interest of any nature whatsoever in Borrower with the result that the investment in Borrower (whether directly or indirectly) would be prohibited by such laws or the Loan would be in violation of such laws, and (iii) none of the funds of Borrower shall be derived from any unlawful activity with the result that the investment in Borrower (whether directly or indirectly), would be prohibited by law or the Loan would be in violation of law, in all cases of clauses (i), (ii) and (iii), excluding the interests held in VRLP (other than VRT) or in VRT or in ALX and any interests held by a Person holding less than a 5% interest in Borrower.

V.

INSURANCE, CASUALTY AND CONDEMNATION

Section 5.1. **Insurance.**

5.1.1 **Insurance Policies.**

(a) Borrower, at its sole cost and expense, shall obtain and maintain during the entire Term, or cause to be maintained, with respect to the Property and the Condominium Property (collectively, the “**Insured Property**”) insurance policies providing at least the following coverages:

(i) Property insurance against loss or damage by fire, lightning and such other perils as are included in a standard “special form of loss” policy, and against loss or damage by all other risks and hazards covered by a standard “special form of loss” property insurance policy, with no exclusion for damage or destruction caused by the acts of “Terrorists” (as defined by TRIPRA) (or, subject to [Section 5.1.1\(i\)](#) below, standalone coverage with respect thereto) riot and civil commotion, vandalism, malicious mischief, burglary and theft (A) in an amount equal to one hundred percent (100%) of the “**Full Replacement Cost**” of the Insured Property, which for purposes of this Agreement shall mean actual replacement value (exclusive of costs of excavations, foundations, underground

utilities and footings) with a waiver of depreciation; (B) containing an agreed-amount endorsement with respect to the Improvements and personal property of Borrower or any personal property Borrower is required to insure under a Lease at the Insured Property waiving all co-insurance provisions; and (C) containing an “**Ordinance or Law Coverage**” or “**Enforcement**” endorsement if any of the Improvements or the use of the Insured Property shall at any time constitute legal non-conforming structures or uses, and compensating for loss of value or property resulting from operation of law and the cost of demolition and the increased cost of construction in amounts as reasonably required by Lender and in a form comparable to that customarily utilized for other property similar to the Insured Property. In addition, Borrower shall obtain: (y) if any portion of the Improvements is currently or at any time in the future located in a federally designated “special flood hazard area”, flood hazard insurance in an amount equal to the lesser of (1) \$100,000,000 or (2) the maximum amount of such insurance available under the National Flood Insurance Act of 1968, the Flood Disaster Protection Act of 1973 or the National Flood Insurance Reform Act of 1994, as each may be amended, or such greater amount as Lender shall reasonably require (and in a form comparable to that customarily utilized for other property similar to the Insured Property) to the extent the same is commercially available; and (z) earthquake insurance in amounts and in form and substance reasonably satisfactory to Lender (provided that earthquake insurance shall not be required hereunder unless the Insured Property is located in an area with a high degree of seismic activity which is indicated by a Probable Maximum Loss (“**PML**”) of greater than twenty percent (20%)), provided that the insurance pursuant to clauses (y) and (z), hereof shall be on terms consistent with the property insurance policy required under this subsection (i);

(ii) commercial general liability insurance providing coverages against claims for personal injury, bodily injury, death or property damage occurring upon, in or about the Insured Property, such insurance (A) to be on the so-called “occurrence” form and containing minimum limits per occurrence of \$1,000,000.00, with an aggregate limit per policy year, excluding umbrella coverage, of not less than \$2,000,000.00; (B) to continue at not less than the aforesaid limit until required to be changed by Lender (in Lender’s reasonable discretion after consultation with Lender’s insurance consultant) by reason of changed economic conditions making such protection inadequate; and (C) to cover at least the following hazards: (1) premises and operations; (2) products and completed operations on an “if any” basis; (3) no exclusion for independent contractors; and (4) contractual liability for all insurable contracts as defined in the standard Insurance Service Office (ISO) policy form to the extent the same is commercially available;

(iii) rental loss and/or business income interruption insurance (A) with dual-party endorsement; (B) covering all risks required to be covered by the insurance provided for in subsection (i) above and Section 5.1.1(h) below; and (C) covering a period of restoration of twenty-four (24) months and containing an extended period of indemnity endorsement which provides that after the physical loss to the Improvements and Personal Property has been repaired, the continued

loss of income will be insured until such income either returns to the same level it was at prior to the loss, or the expiration of twelve (12) months from the date that the Property is repaired or replaced and operations are resumed, whichever first occurs, and notwithstanding that the policy may expire prior to the end of such period; such insurance shall be in an amount equal to one hundred percent (100%) of the projected Gross Revenue (excluding Net Proceeds) from the Property for a period of twenty-four (24) months and shall be determined prior to the date hereof and at least once each year thereafter based on Borrower's reasonable estimate of the Gross Revenue (excluding Net Proceeds) from the Property for the succeeding twenty-four (24) month period. All proceeds payable to Lender pursuant to this subsection shall be held by Lender (or in a subaccount of the Deposit Account) and shall be applied to the Obligations secured by the Loan Documents from time to time due and payable hereunder and under the Note; provided, however, that nothing herein contained shall be deemed to relieve Borrower of its Obligations to pay the Debt on the respective dates of payment provided for in the Note and the other Loan Documents except to the extent such amounts are available to be actually paid out of the proceeds of such business income or commercial rents insurance;

(iv) during any period in which structural construction, structural repairs or structural restorations are being performed with respect to the Improvements, and only if the Property coverage form or Condominium Property coverage form, as applicable, does not otherwise apply, (A) owner's contingent or protective liability insurance covering claims not covered by or under the terms or provisions of the above-mentioned commercial general liability insurance policy; and (B) the insurance provided for in subsection (i) above written in a so-called builder's risk completed-value form (1) on a non-reporting basis, (2) against all risks insured against pursuant to subsection (i) above, (3) including permission to occupy the Property or Condominium Property (as applicable), and (4) with an agreed amount endorsement waiving co-insurance provisions;

(v) worker's compensation and employer's liability insurance for all employees employed by Borrower with limits required by the statutory limits of the state in which the Insured Property is located in respect of any work or operations on or about the Insured Property or in connection with the Insured Property or its operation (if applicable);

(vi) comprehensive boiler and machinery insurance, if applicable, in amounts as shall be reasonably acceptable to Lender on terms consistent with the commercial property insurance policy required under subsection (i) above;

(vii) umbrella liability insurance in addition to primary coverage in an amount not less than \$200,000,000.00 per occurrence on terms consistent with the commercial general liability insurance policy required under subsection (ii) above and subsection (viii) below;

(viii) motor vehicle liability coverage, if applicable, for all owned and non-owned vehicles, including rented and leased vehicles containing minimum limits per occurrence, including umbrella coverage, with limits which are

reasonably acceptable to Lender from time to time;

(ix) if not covered under (i) above, windstorm insurance in an amount equal to the Outstanding Principal Balance or such lesser amount as reasonably acceptable to Lender in writing, but in no event greater than the sum of the Full Replacement Cost of the Insured Property and the required business income interruption insurance; and

(x) at Lender's reasonable request, upon ninety (90) days' written notice, (A) such other insurance with respect to the Insured Property against loss or damage from time to time of the kinds customarily insured in such amounts as are generally required by institutional lenders on loans secured by similar properties as the Insured Property located in or around the region in which the Insured Property is located and (B) such increases in the amounts of coverage required hereunder as may be reasonably requested by Lender, taking into consideration changes in liability laws and changes in prudent customs and practices, and otherwise currently being required with respect to properties similar to the Insured Property with mortgage loans similar to the Loan and is commercially available at the time of request.

(b) All insurance provided for in Section 5.1.1(a), shall be obtained under valid and enforceable policies (collectively, the "**Policies**" or in the singular, the "**Policy**") and shall be subject to the reasonable approval of Lender as to form and substance, including amounts, deductibles, loss payees and insureds, subject to the express requirements of Section 5.1.1(a) and the other provisions of this Section 5.1, it being agreed by the parties that the Policies covering the Insured Property as of the Closing Date satisfy the requirements contained herein. Not less than three (3) Business Days prior to the expiration dates of the Policies theretofore furnished to Lender, certificates of insurance evidencing the renewal Policies (and, upon the written request of Lender, copies of such Policies to the extent such Policies have been received and approved by Borrower) accompanied, within thirty (30) days after the respective due dates therefor, by evidence reasonably satisfactory to Lender of payment of the premiums then due thereunder (the "**Insurance Premiums**"), shall be delivered by Borrower to Lender (provided, however, that Borrower need not pay any Insurance Premiums directly nor furnish such evidence of payment of Insurance Premiums to the extent that funds to pay for such Insurance Premiums have been deposited into the Insurance Account pursuant to Section 6.4).

(c) Any blanket insurance Policy shall provide the same protection as would a separate Policy insuring only the Property in compliance with the provisions of Section 5.1.1(a) (any such blanket policy, an "**Acceptable Blanket Policy**").

(d) All Policies of insurance provided for or contemplated by Section 5.1.1(a), shall name Borrower as a named insured and, with respect to liability policies, except for the Policy referenced in Sections 5.1.1(a)(v) and (vii), shall name Lender and its successors and/or assigns as additional insureds, as its interests may appear, and in the case of property damage, boiler and machinery, terrorism, windstorm, flood and earthquake insurance (if any), shall contain a standard non-contributing mortgagee clause (or its equivalent) in favor of Lender providing that the loss thereunder shall be payable to Lender unless below the threshold for Borrower to handle such claim without Lender intervention as provided in Section 5.2 below. Additionally, if Borrower obtains property insurance coverage in addition to or in excess of that

required by Section 5.1.1(a)(i), then such insurance policies shall also contain a standard non-contributing mortgagee clause (or its reasonable equivalent) in favor of Lender providing that the loss thereunder shall be payable to Lender.

(e) All Policies of insurance provided for in Section 5.1.1(a), except for the Policies referenced in Section 5.1.1(a)(v) and (a)(viii), shall contain clauses or endorsements to the effect that:

(i) with respect to the coverages referred in Sections 5.1(a)(i), (iii), (iv)(B), (vi), (ix) and, if applicable (x), no act or negligence of Borrower, or anyone acting for Borrower, or of any Tenant or other occupant, or failure to comply with the provisions of any Policy, which might otherwise result in a forfeiture of the insurance or any part thereof, shall in any way affect the validity or enforceability of the insurance insofar as Lender is concerned;

(ii) the Policy shall not be canceled without at least thirty (30) days' written notice to Borrower or any other insured under the Policy (other than in the case of non-payment in which case only ten (10) days prior notice, or the shortest time allowed by applicable Legal Requirement (whichever is longer), will be required) and shall not be materially changed (other than to increase the coverage provided thereby) without such a thirty (30) day notice; provided such notice as to material change may be given either by the insurer or Borrower if such change would result in the coverage provided by such Policy not complying in all respects with the terms and conditions of this Agreement;

(iii) Lender shall not be liable for any Insurance Premiums thereon or subject to any assessments thereunder; and

(iv) the issuers and/or Borrower thereof shall give notice to Lender if any Policy has not been renewed three (3) Business Days prior to its expiration (provided, that the issuers or Borrower may withdraw such notice if the applicable Policy is renewed prior to its expiration following the date upon which such notice is given to Lender).

(f) If at any time Lender is not in receipt of written evidence that all insurance required hereunder is in full force and effect, Lender shall have the right, on one (1) Business Days' written notice to Borrower to take such action as Lender deems reasonably necessary to protect its interest in the Insured Property, including the obtaining of the insurance coverage required hereunder or such comparable insurance coverage as Lender in its sole discretion deems appropriate (but in no event in excess of the insurance required to be maintained pursuant to Section 5.1.1), provided that Lender agrees to use commercially reasonable efforts to obtain such insurance pursuant to a cancellable policy, the premiums for which will be refundable for the portion of such policy that is terminated, and all premiums incurred by Lender in obtaining such insurance and keeping it in effect shall be paid by Borrower to Lender upon demand and until paid shall be secured by the Mortgage and shall bear interest at the Default Rate. Lender shall provide prompt written notice to Borrower after obtaining such insurance coverage.

(g) In the event of foreclosure of the Mortgage or other transfer of title to the Property in extinguishment in whole or in part of the Obligations, all right, title and interest of

Borrower in and to the Policies that are not blanket Policies then in force concerning the Insured Property and all proceeds payable thereunder shall thereupon vest in the purchaser at such foreclosure or Lender or other transferee in the event of such other transfer of title.

(h) The property insurance, general liability insurance and rental loss and/or business interruption insurance required under Sections 5.1.1(a)(i), (ii), (iii), and (iv), above shall cover perils of terrorism and acts of terrorism, or, if excluded, Borrower shall maintain property insurance, general liability insurance and rental loss and/or business interruption insurance for loss resulting from perils and acts of terrorism on terms (including amounts) consistent with those required under Sections 5.1.1(a)(i), (ii), (iii), and (iv), above (subject to the provisions of Section 5.1.1(i)) at all times during the term of the Loan as long as such coverage is commercially available in the area where the Insured Property is located.

(i) Notwithstanding anything in subsection (a)(i) or (h), above to the contrary, Borrower shall be required to obtain and maintain coverage in its property insurance Policy (or by a separate Policy) against loss or damage by terrorist acts in an amount equal to one hundred percent (100%) of the "Full Replacement Cost" of the Insured Property, plus the rental loss and/or business interruption coverage under subsection (a)(iii) above; provided that such coverage is commercially available. In the event that such coverage with respect to terrorist acts is not included as part of the property policy required by subsection (a)(i) above, Borrower shall, nevertheless be required to obtain (or cause to be obtained) coverage for terrorism (as standalone coverage) in an amount equal to one hundred percent (100%) of the "Full Replacement Cost" of the Insured Property plus the rental loss and/or business interruption coverage under clause (a)(iii) above; provided that such coverage is commercially available. Borrower shall obtain the coverage required under this clause (i) from a carrier which otherwise satisfies the rating criteria specified in Section 5.1.2 below (a "Qualified Carrier") or in the event that such coverage is not available from a Qualified Carrier, Borrower shall, to the extent commercially feasible, obtain such coverage from the highest rated insurance company providing such coverage. Notwithstanding the foregoing, with respect to any terrorism coverage included in the property insurance policy or with respect to any such standalone policy covering terrorist acts, Borrower shall not be required to pay any Insurance Premiums solely with respect to such terrorism coverage in excess of the Terrorism Premium Cap (hereinafter defined); provided that if the Insurance Premiums payable with respect to such terrorism coverage exceeds the Terrorism Premium Cap, Lender may, at its option purchase such standalone terrorism Policy, with Borrower paying such portion of the Insurance Premiums with respect thereto equal to the Terrorism Premium Cap and the Lender paying such portion of the Insurance Premiums in excess of the Terrorism Premium Cap (without seeking reimbursement from Borrower). As used herein, "Terrorism Premium Cap" means an amount equal to the greater of (A) the product of the rate of \$0.10 per \$100 times the lesser of (1) the Outstanding Principal Balance and (2) the sum of one hundred percent (100%) of the Full Replacement Cost and the required amount of rental loss and/or business income interruption insurance and (B) two (2) times the amount of annual insurance premium that is payable at such time for the insurance coverage required pursuant to Section 5.1.1(a)(i) and Section 5.1.1(a)(iii) of this Agreement (without giving effect to the cost of terrorism coverage, named storm coverage to the extent the Property is located in Tier 1 or Tier 2 zones, or flood and earthquake coverage to the extent the Property is located in high risk zones as respects such perils). To the extent that insurance pursuant to this Section 5.1.1(i) is maintained pursuant to a blanket policy, if such blanket policy covers more than one property within a one thousand foot radius of the Property (the "Radius"), the limits of any such

policy shall be adequate to maintain the coverage set forth in this Section 5.1.1(i), for each property within the Radius that is covered by such blanket policy calculated on a total insured value basis, to the extent such coverage is commercially available.

5.1.2 **Insurance Company.** All Policies required pursuant to Section 5.1.1(a), shall (i) be issued by companies eligible to do business in the state where the Insured Property is located, with a financial strength and claims paying ability rating of "A" or better by S&P and, if the Loan is part of a Securitization, the equivalent by any other Rating Agency that rates the Securities and actually provides insurance ratings for such carriers and, in all circumstances, satisfying the Two Agency Rating Test, provided, however for multi-layered policies ("**Multi-Layered Policies**"), (A) if four (4) or fewer insurance companies issue the Policies, then (x) at least seventy-five percent (75%) of the insurance coverage represented by the Policies (the "**75% Coverage**") must be provided by insurance companies with a claims paying ability rating of "A" or better by S&P (and, if the Loan is part of a Securitization, the equivalent by any other Rating Agency that rates the Securities and actually provides insurance ratings for such carriers), with no carriers below "BBB" by S&P (and, if the Loan is part of a Securitization, the equivalent by any other Rating Agency that rates the Securities and actually provides insurance ratings for such carriers) and (y) all carriers satisfy the Two Agency Rating Test, or (B) if five (5) or more insurance companies issue the Policies, then (x) at least sixty percent (60%) of the insurance coverage represented by the Policies (the "**60% Coverage**") must be provided by insurance companies with a claims paying ability rating of "A" or better by S&P (and, if the Loan is part of a Securitization, the equivalent by any other Rating Agency that rates the Securities and actually provides insurance ratings for such carriers) with no carriers below "BBB" by S&P (and, if the Loan is part of a Securitization, the equivalent by any other Rating Agency that rates the Securities and actually provides insurance ratings for such carriers) and (y) all carriers satisfy the Two Agency Rating Test, provided, that with respect to the Policy for umbrella liability insurance, Westchester Fire shall be an acceptable insurance company in its current participation amount and position within the syndicate until the expiration of the current Policy provided such insurance company maintains a rating of "A2" or better from Moody's and a rating of "A" or better from Fitch; (ii) contain such provisions as Lender deems reasonably necessary or desirable to protect its interest including endorsements providing (A) that neither Borrower, Lender nor any other party shall be a co-insurer under said Policies and (B) for a deductible per loss of an amount not more than that which is customarily maintained by prudent owners of properties with a standard of operation and maintenance comparable to and in the general vicinity of the Insured Property; and (iii) contain a waiver of subrogation against Lender. Notwithstanding the foregoing, in the event that the insurance required hereunder is maintained through a Multi-Layered Policy, Borrower shall be permitted to maintain the Policies required hereunder with insurance companies which do not meet the foregoing requirements, including, for the coverage required by Section 5.1.1(i) above, a licensed captive insurance company reasonably acceptable to Lender which is owned by Guarantor (an "**Otherwise Rated Insurer**"), provided Borrower obtains a "cut-through" endorsement (that is, an endorsement which permits recovery against the provider of such endorsement if the insurer becomes insolvent), and reinsurance in the case of a captive insurance company, in each case reasonably acceptable to Lender with respect to any Otherwise Rated Insurer from an insurance company which meets the claims-paying ability ratings required above or such higher rating (not to exceed A+ by S&P) as may be required by a Rating Agency. Copies of the Policies shall be delivered to Lender at the address below (or to such other address or Person as Lender shall designate from time to time by written notice to Borrower) on the date hereof with respect to the current Policies (or binders to

be followed by the Policies to the extent such Policies are newly bound and have not been issued as of the date hereof) and within ten (10) Business Days after the receipt and approval by Borrower thereof with respect to all renewal Policies:

GERMAN AMERICAN CAPITAL CORPORATION
60 Wall Street, 10th Floor
New York, NY 10005
Attn: Mary Brundage

Borrower shall pay the Insurance Premiums in full as the same become due and payable and shall furnish to Lender evidence of the renewal of each of the Policies with receipts for the payment of the Insurance Premiums or other evidence of such payment reasonably satisfactory to Lender (provided, however, that Borrower shall not be required to pay such Insurance Premiums nor furnish such evidence of payment to Lender in the event that the amounts required to pay such Insurance Premiums have been deposited into the Insurance Account pursuant to Section 6.4 hereof).

5.1.3 **Condominium board Policies.** Pursuant to Section 12.5 of the Bylaws, Borrower shall cause the Condominium Board to designate Lender (or its nominee) as the "Insurance Trustee" (as defined in the Bylaws) to hold the insurance proceeds maintained by the Condominium Board in accordance with the terms of the Condominium Documents, provided that Lender shall (or shall cause its nominee to) comply with the obligations of the "Insurance Trustee" under the Condominium Declaration.

5.1.4 **Bloomberg Insurance Policies.** Pursuant to Section 9.2 of the Original Bloomberg Lease, Borrower shall (x) cause Bloomberg to name Lender as a mortgagee and loss payee under the Tenants Property Policy (as defined in the Original Bloomberg Lease), and (y) require that Lender (or its designee) be designated as the "Proceeds Depository" (as defined in the Original Bloomberg Lease) with respect to the insurance proceeds payable under Tenants Property Policy (as defined in the Original Bloomberg Lease), in each case, in accordance with the terms of the Original Bloomberg Lease, provided that Lender shall (or shall cause its designee to) comply with the obligations of the "Proceeds Depository" under the Original Bloomberg Lease.

Section 5.2. **Casualty.** If the Property or the Condominium Property shall be damaged or destroyed, in whole or in part, by fire or other casualty resulting in damage exceeding \$2,000,000 (a "**Casualty**"), Borrower shall give prompt notice thereof to Lender. Following the occurrence of a Casualty, Borrower, regardless of whether insurance proceeds are available, shall proceed to diligently restore, repair, replace or rebuild the Property and shall cause the Condominium Board to diligently restore, repair, replace or rebuild the Condominium Property in accordance with the Condominium Documents, in each case, in accordance with Legal Requirements to be of substantially equal quality and rentable square footage and of substantially the same character as prior to such damage or destruction, with such changes as may be reasonably approved by Lender. Borrower shall cause the Condominium Board to, in good faith and in a commercially reasonable manner, file and prosecute the adjustment, compromise or settlement of any claims with respect to the Condominium Property. Lender may, but shall not be obligated to, make a claim if not made by Borrower (or the Condominium Board with respect to the Condominium Property) within fifteen (15) Business Days after Borrower's actual knowledge of the occurrence of such Casualty. In addition, Lender may participate in any

settlement discussions with any insurance companies, and any final settlement shall be subject to Lender's prior written approval, which approval shall not be unreasonably withheld, conditioned or delayed and shall be deemed given if Lender fails to approve or deny (stating the reason for such denial) such final settlement within five (5) Business Days after its approval is requested by Borrower, (i) if an Event of Default is continuing or (ii) with respect to any Casualty in which the Net Proceeds or the costs of completing the Restoration are equal to or greater than \$15,000,000, and Borrower shall deliver to Lender all instruments reasonably required by Lender to permit such participation. Except as set forth in the foregoing sentence or in the Condominium Documents, any Insurance Proceeds in connection with any Casualty (whether or not Lender elects to settle and adjust the claim (if permitted hereunder) or Borrower settles such claim) shall be due and payable to Lender and held and disbursed by Lender in accordance with the terms of this Agreement. In the event Borrower or any party other than Lender is a payee on any check representing Insurance Proceeds with respect to any Casualty, Borrower shall immediately endorse, and cause all such third parties to endorse, such check payable to the order of Lender. Borrower hereby irrevocably appoints Lender as its attorney-in-fact, coupled with an interest, to, upon five (5) Business Days prior notice to Borrower or during the continuance of an Event of Default, endorse any such check payable to the order of Lender. Borrower hereby releases Lender from any and all liability with respect to the settlement and adjustment by Lender of any claims in respect of any Casualty.

Section 5.3. **Condemnation.** Borrower shall give Lender ten (10) Business Days' notice of the actual or threatened commencement of any proceeding for the Condemnation of all or any portion of the Property or the Condominium Property of which Borrower has knowledge and shall deliver to Lender copies of any and all papers served in connection with such proceedings. Lender may participate in any such proceedings (i) if an Event of Default is continuing or (ii) with respect to any Condemnation in which the Net Proceeds or the costs of completing the Restoration are equal to or greater than \$10,000,000, and Borrower shall from time to time deliver to Lender all instruments reasonably requested by it to permit such participation. Borrower shall, at its expense, diligently prosecute any such proceedings, and, if Lender is permitted to participate in such proceedings pursuant to the foregoing sentence, shall consult with Lender, its attorneys and experts, and reasonably cooperate with them in the carrying on or defense of any such proceedings. Notwithstanding any taking by any public or quasi-public authority through Condemnation or otherwise (including, but not limited to, any transfer made in lieu of or in anticipation of the exercise of such taking), Borrower shall continue to pay the Debt at the time and in the manner provided for its payment in the Note and in this Agreement and the Debt shall not be reduced until any Award shall have been actually received and applied by Lender, after the deduction of reasonable out-of-pocket expenses of collection, to the reduction or discharge of the Debt. Lender shall not be limited to the interest paid on the Award by the condemning authority but shall be entitled to receive out of the Award interest at the rate or rates provided herein or in the Note. If the Property or any portion thereof is taken by a condemning authority, Borrower shall commence and diligently prosecute the Restoration of the Property (and shall cause the Condominium Board to commence and diligently prosecute the Restoration of any Condominium Property affected by such Condemnation in accordance with the Condominium Documents) and, subject to the terms of the Condominium Documents (with respect to the Condominium Property), otherwise comply with the provisions of Section 5.4, whether or not an Award is available to pay the costs of such Restoration. If the Property is sold, through foreclosure or otherwise, prior to the receipt by Lender of the Award, Lender shall have the right, whether or not a deficiency judgment on the Note shall have been sought, recovered or

denied, to receive the Award, or a portion thereof sufficient to pay the Debt.

Section 5.4. **Restoration.** The following provisions shall apply in connection with the Restoration, subject to the requirements of the Condominium Documents (but subject to the rights of Lender under the Condominium Documents and the Condominium Proxy):

(a) If the Net Proceeds shall be \$5,000,000 or less and provided no Event of Default is continuing, the Net Proceeds will be disbursed by Lender to Borrower upon receipt, provided that all of the conditions set forth in Section 5.4(b)(i) are met and Borrower delivers to Lender a written undertaking to expeditiously commence and to complete with due diligence the Restoration in accordance with the terms of this Agreement.

(b) If the Net Proceeds are greater than \$5,000,000, the Net Proceeds will be held by Lender and Lender shall make the Net Proceeds available for the Restoration in accordance with the provisions of this Section 5.4. The term "**Net Proceeds**" shall mean: (i) the net amount of all insurance proceeds received by Lender pursuant to Section 5.1.1 (a)(i), (iv), (vi), (ix), and (xi), as a result of a Casualty, after deduction of Lender's reasonable out-of-pocket costs and expenses (including, but not limited to, reasonable counsel fees), if any, in collecting same ("**Insurance Proceeds**"), or (ii) the net amount of the Award, after deduction of Lender's reasonable out-of-pocket costs and expenses (including, but not limited to, reasonable counsel fees), if any, in collecting same ("**Condemnation Proceeds**"), whichever the case may be.

(i) The Net Proceeds shall be made available to Borrower for Restoration upon the determination of Lender, in its reasonable discretion, that the following conditions are met:

no Event of Default shall have occurred and be continuing;

(1) in the event the Net Proceeds are Insurance Proceeds, less than forty percent (40%) of the rentable square footage of the Improvements on the Property has been damaged, destroyed or rendered unusable as a result of such Casualty or (2) in the event the Net Proceeds are Condemnation Proceeds, less than fifteen percent (15%) of the rentable area of the Property is taken, and such taken portion of the Property is located along the perimeter or periphery of the Property, and no portion of the Improvements is located on such taken portion of the Property;

(2) Leases demising in the aggregate a percentage amount equal to or greater than sixty-seven and one half percent (67.5%) of the total rentable space in the Property which has been demised under executed and delivered Leases in effect as of the date of the occurrence of such Casualty or Condemnation, whichever the case may be, shall remain in full force and effect during and after the completion of the Restoration without abatement of rent beyond the time required for Restoration;

(3) Borrower shall commence the preparation of plans and specifications for the Restoration and the filing of an application for required building permits as soon as reasonably practicable after such

Casualty or Condemnation (but in no event later than sixty (60) days after such Casualty or Condemnation, whichever the case may be, occurs) and shall thereafter diligently pursue the Restoration to completion.

(4) Lender shall be reasonably satisfied that any operating deficits, including all scheduled payments of principal and interest under the Note, which will be incurred with respect to the Property as a result of the occurrence of any such Casualty or Condemnation, whichever the case may be, will be covered out of (1) the Net Proceeds, (2) the insurance coverage referred to in Section 5.1.1(a)(iii), if applicable, or (3) by other funds of Borrower or any collateral provided by Borrower or Guarantor;

(5) Lender shall be satisfied that the Restoration will be completed on or before the earliest to occur of (1) the date which is six (6) months prior to the Stated Maturity Date, (2) such time as may be required under applicable Legal Requirements or (3) if the insurance coverage referred to in Section 5.1.1(a)(iii) runs out prior to the completion of Restoration pursuant to its terms, three (3) months prior to the expiration of the insurance coverage referred to in Section 5.1.1(a)(iii); provided, however, that if less than three (3) months remains prior to the expiration of such coverage, Borrower may satisfy this condition by depositing with Lender an amount equal to such insurance proceeds to be held and disbursed by Lender to Borrower in equal monthly installments over such three (3) month period;

(6) the Property and the use thereof after the Restoration will be in compliance with and permitted under all applicable Legal Requirements to the extent that noncompliance would reasonably be expected to or does result in a Material Adverse Effect;

(7) in the case of a Condemnation, such Condemnation does not result in the loss of access to the Property or the related Improvements in a manner that would reasonably be expected to or does result in a Material Adverse Effect;

(8) the Restoration DSCR, after giving effect to the Restoration, shall be equal to or greater than 1.20:1.00;

(9) Borrower shall deliver, or cause to be delivered, to Lender a signed detailed budget approved in writing by Borrower's architect or engineer stating the entire cost of completing the Restoration, which budget shall be reasonably acceptable to Lender;

(10) the Net Proceeds together with any cash, cash equivalents or other security deposited by Borrower with Lender are sufficient in Lender's discretion to cover the cost of the Restoration; and

(11) the Condominium Documents shall remain in full

force and effect during and after the completion of the Restoration, (2) the Condominium Board shall not have elected not to (or shall have elected to) restore the Condominium Property damaged or destroyed in connection with such Casualty and Lender shall be reasonably satisfied that sufficient funds exist from insurance proceeds or funds or other security reasonably acceptable to Lender has been deposited by the owners of the Units to restore the Condominium Property, and (3) the Condominium is not terminated as a result of such Casualty.

(ii) The Net Proceeds shall be held by Lender in the Casualty and Condemnation Account and, until disbursed in accordance with the provisions of this [Section 5.4\(b\)](#), shall constitute additional security for the Debt and the Other Obligations. The Net Proceeds shall be disbursed by Lender to, or as directed by, Borrower from time to time during the course of the Restoration, upon receipt of evidence reasonably satisfactory to Lender that (A) all materials installed and work and labor performed (except to the extent that they are to be paid for out of the requested disbursement) in connection with the Restoration have been paid for in full, and (B) there exist no notices of pendency, stop orders, mechanic's or materialman's liens or notices of intention to file same, or any other liens or encumbrances of any nature whatsoever on the Property (other than Permitted Encumbrances) which have not either been fully bonded to the reasonable satisfaction of Lender and discharged of record or in the alternative fully insured to the reasonable satisfaction of Lender by the title company issuing the Title Insurance Policy.

(iii) All plans and specifications required in connection with a Restoration shall be subject to the prior reasonable approval of Lender, subject to review of an independent consulting engineer selected by Lender (the "*Casualty Consultant*"). Lender shall have the use of the plans and specifications and all permits, licenses and approvals required or obtained in connection with the Restoration. All reasonable out-of-pocket costs and expenses incurred by Lender in connection with recovering, holding and advancing the Net Proceeds for the Restoration including, without limitation, reasonable attorneys' fees and disbursements and the Casualty Consultant's reasonable fees and disbursements, shall be paid by Borrower.

(iv) In no event shall Lender be obligated to make disbursements of the Net Proceeds in excess of an amount equal to the costs actually incurred from time to time for work in place as part of the Restoration less the Casualty Retainage. "*Casualty Retainage*" shall mean, as to each contractor, subcontractor or materialman engaged in the Restoration, (A) an amount equal to ten percent (10%) of the costs actually incurred for work in place as part of the Restoration until such time as the Casualty Consultant certifies to Lender that Net Proceeds representing fifty percent (50%) of the required Restoration have been disbursed and (B) an amount equal to five percent (5%) of the costs actually incurred for work in place as part of the Restoration thereafter. The Casualty Retainage shall in no event, and notwithstanding anything to the contrary set forth above in this [Section 5.4\(b\)](#), be less than the amount actually held back by Borrower from

contractors, subcontractors and materialmen engaged in the Restoration. The Casualty Retainage shall not be released until Borrower certifies to Lender in an Officer's Certificate and Lender confirms and approves (Borrower acknowledges that Lender may rely on the Casualty Consultant in connection with such confirmation and approval) that the Restoration has been completed in accordance with the provisions of this Section 5.4(b) and that all approvals necessary for the re-occupancy and use of the Property have been obtained from all appropriate Governmental Authorities, and Lender receives evidence reasonably satisfactory to Lender that the costs of the Restoration have been paid in full or will be paid in full out of the Casualty Retainage; provided, however, that Lender will release the portion of the Casualty Retainage being held with respect to any contractor, subcontractor or materialman engaged in the Restoration as of the date upon which (i) Borrower certifies to Lender in an Officer's Certificate and Lender confirms and approves (Borrower acknowledges that Lender may rely on the Casualty Consultant in connection with such confirmation and approval) that such contractor, subcontractor or materialman has satisfactorily completed all work and has supplied all materials in accordance with the provisions of such contractor's, subcontractor's or materialman's contract, and (ii) the contractor, subcontractor or materialman delivers the lien waivers and evidence of payment in full of all sums due to the contractor, subcontractor or materialman as may be reasonably requested by Lender or by the title company issuing the Title Insurance Policy. If required by Lender, the release of any such portion of the Casualty Retainage shall be approved by the surety company, if any, which has issued a payment or performance bond with respect to the contractor, subcontractor or materialman.

(v) Lender shall not be obligated to make disbursements of the Net Proceeds more frequently than once every calendar month.

(vi) If at any time the Net Proceeds or the undisbursed balance thereof shall not, in the reasonable opinion of Lender, be sufficient to pay in full the balance of the costs which are estimated by the Casualty Consultant to be incurred in connection with the completion of the Restoration (policy deductible amounts being considered as Net Proceeds for the purposes of this clause (vi)), Borrower shall deposit the deficiency (the "*Net Proceeds Deficiency*") with Lender (for deposit into the Casualty and Condemnation Account) before any further disbursement of the Net Proceeds shall be made. The Net Proceeds Deficiency deposited with Lender shall be deposited by Lender into the Casualty and Condemnation Account and shall be disbursed for costs actually incurred in connection with the Restoration on the same conditions applicable to the disbursement of the Net Proceeds, and until so disbursed pursuant to this Section 5.4(b) shall constitute additional security for the Obligations.

(vii) The excess, if any, of the Insurance Proceeds and the remaining balance, if any, of the Net Proceeds Deficiency deposited with Lender after Borrower certifies to Lender in an Officer's Certificate and Lender confirms and approves (Borrower acknowledges that Lender may rely on the Casualty Consultant in connection with such confirmation and approval) that the Restoration has been completed in accordance with the provisions of this Section

5.4(b), and the receipt by Lender of evidence reasonably satisfactory to Lender that all costs incurred in connection with the Restoration have been paid in full, shall be remitted by Lender to Borrower, provided no Event of Default shall have occurred and shall be continuing. The excess, if any, of the Condemnation Proceeds after the Borrower certifies to Lender in an Officer's Certificate and Lender confirms and approves (Borrower acknowledges that Lender may rely on the Casualty Consultant in connection with such confirmation and approval) that the Restoration has been completed in accordance with the provisions of this Section 5.4(b), and the receipt by Lender of evidence reasonably satisfactory to Lender that all costs incurred in connection with the Restoration have been paid in full, shall be remitted to Lender to prepay the Note subject to and in accordance with Section 2.4.4 of this Agreement.

(c) Notwithstanding anything to the contrary set forth above in this Section 5.4, in the event of any Casualty to the Landlord Restoration Items (as defined in the Original Bloomberg Lease), it shall be a condition to Lender disbursing any Net Proceeds to or on behalf of Borrower that either (I) a completion guaranty in favor of Lender in form substantially identical to the form of guaranty attached hereto as Exhibit H (the "**Completion Guaranty**") has been executed and delivered to Lender, along with opinions of counsel from the law firms providing comparable opinions on the Closing Date (or their applicable successors) or one or more other nationally recognized law firms (x) regarding the due organization and authority of Guarantor and enforceability of the Completion Guaranty and (y) that the Completion Guaranty does not alter the conclusion reached in the Insolvency Opinion or a new non-consolidation opinion, in each case, in form and substance reasonably acceptable to Lender and acceptable to the Rating Agencies or (II) Borrower shall deliver a Letter of Credit or cash collateral in an amount equal to the difference between the amount necessary to pay in full the costs of completing the Restoration of the Landlord Restoration Items (as defined in the Original Bloomberg Lease), as reasonably determined by Lender, and the portion of the Net Proceeds allocable to the Restoration of the Landlord Restoration Items (but without duplication of any Net Proceeds Deficiency delivered to Lender pursuant to Section 5.4(b)(vi) above), provided, that in the case of a Letter of Credit, such Letter of Credit is accompanied by a contribution agreement in the form attached hereto as Exhibit D and the law firm providing the Insolvency Opinion on the Closing Date (or its successor) or any other nationally recognized law firm delivers an opinion that the Letter of Credit does not alter the conclusion reached in the Insolvency Opinion or a new non-consolidation opinion, in each case, in form and substance reasonably acceptable to Lender and acceptable to the Rating Agencies. Within five (5) Business Days after the earlier to occur of (i) any election by the Tenant under the Original Bloomberg Lease not to terminate the Original Bloomberg Lease in accordance with the terms of Section 10.1(B)(1) thereof (if the Tenant has the right to terminate the Original Bloomberg Lease) and (ii) the date Borrower delivers to the Tenant under the Original Bloomberg Lease a Casualty Statement (as defined in the Original Bloomberg Lease) pursuant to Section 10.1(B)(1) of the Original Bloomberg Lease, Borrower shall cause Guarantor to deliver to Lender a duly executed Completion Guaranty (or shall deliver a Letter of Credit or cash collateral in an amount necessary to pay the costs of completing the Landlord Restoration Items in lieu thereof), provided that in the event thirty-five percent (35%) or more of rentable square footage of the Property is subject to such Casualty, then in lieu of delivering such Completion Guaranty, Borrower may repay the Loan in full within such five (5) Business Day period, which repayment shall not be subject to any Spread Maintenance Premium.

(d) Notwithstanding anything to the contrary set forth in this Agreement, including the provisions of this Section 5.4, or in the Condominium Documents, if the Loan is included in a REMIC Trust and, immediately following a release of any portion of the Lien of the Mortgage following a Casualty or Condemnation (but taking into account any proposed Restoration of the remaining Property), the ratio of the unpaid principal balance of the Loan to the value of the remaining Property is greater than one hundred twenty-five percent (125%) (such value to be determined by Lender in any commercially reasonable method permitted to a REMIC Trust; and which shall exclude the value of personal property or going concern value, if any), the Outstanding Principal Balance must be paid down by an amount equal to the least of the following amounts: (i) the net Award (after payment of Lender's costs and expenses and any other fees and expenses that have been approved by Lender) or the net Insurance Proceeds (after payment of Lender's actual out-of-pocket costs and expenses and any other fees and expenses that have been reasonably approved by Lender), as the case may be, or (ii) a "qualified amount" as that term is defined in the IRS Revenue Procedure 2010-30, as the same may be amended, replaced, supplemented or modified from time to time, unless Lender receives an opinion of counsel that if such amount is not paid, the applicable Securitization will not fail to maintain its status as a REMIC Trust as a result of the related release of such portion of the Lien of the Mortgage. If and to the extent the preceding sentence applies, only such amount of the net Award or net Insurance Proceeds (as applicable), if any, in excess of the amount required to pay down the Outstanding Principal Balance may be released for purposes of Restoration or released to Borrower as otherwise expressly provided in this Section 5.4.

(e) All Net Proceeds (i) not required to be made available for the Restoration hereunder or (ii) so long an Event of Default has occurred and is continuing, not required to be returned to Borrower as excess Net Proceeds pursuant to Section 5.4(b)(vii) may be retained and applied by Lender in accordance with Section 2.4.4 hereof toward the payment of the Debt whether or not then due and payable in such order, priority and proportions as Lender in its discretion shall deem proper, or, at the discretion of Lender, the same may be paid, either in whole or in part, to Borrower for such purposes as Lender shall approve, in its reasonable discretion. Additionally, throughout the term of the Loan if an Event of Default is continuing, then Borrower shall pay to Lender, with respect to any payment of the Debt pursuant to this Section 5.4(e), made during the Spread Maintenance Period, an additional amount equal to the Spread Maintenance Premium; provided, however, that if an Event of Default is not continuing, then no Spread Maintenance Premium shall be payable.

(f) Notwithstanding anything to the contrary contained herein, if in connection with a Casualty any insurance company makes a payment under a property insurance Policy that Borrower proposes be treated as business or rental interruption insurance, then, notwithstanding any designation (or lack of designation) by the insurance company as to the purpose of such payment, as between Lender and Borrower, such payment shall not be treated as business or rental interruption Insurance Proceeds unless Borrower has demonstrated to Lender's reasonable satisfaction that the remaining Net Proceeds that have been received from the property insurance companies are sufficient to pay 100% of the cost of the Restoration or, if such Net Proceeds are to be applied to repay the Obligations in accordance with the terms hereof, that such remaining Net Proceeds will be sufficient to satisfy the Obligations in full.

VI.

CASH MANAGEMENT AND RESERVE FUNDS

Section 6.1. **Cash Management Arrangements.** Borrower shall cause all Rents to be transmitted directly by Tenants of the Property into a trust account (the "**Clearing Account**") established and maintained by Borrower at the Clearing Bank as more fully described in the Clearing Account Agreement. The Clearing Bank shall at all times during the term of the Loan be an Eligible Institution. Without in any way limiting the foregoing, if Borrower or Manager receive any Gross Revenues from the Property (other than amounts released from the Deposit Account to Borrower or as designated by Borrower in accordance with Section 6.9.1), then (i) such amounts shall be deemed to be collateral for the Obligations and shall be held in trust for the benefit, and as the property, of Lender, (ii) such amounts shall not be commingled with any other funds or property of Borrower or Manager, and (iii) Borrower or Manager shall deposit such amounts in the Clearing Account within one (1) Business Day of receipt. Funds deposited into the Clearing Account shall be swept by the Clearing Bank on each Business Day into the Deposit Account and applied and disbursed in accordance with this Agreement. Funds in the Deposit Account and the Accounts may only be invested in Permitted Investments as directed by Borrower (unless an Event of Default has occurred and is continuing), as more particularly set forth in the Cash Management Agreement. Lender shall also establish subaccounts of the Deposit Account which shall at all times be Eligible Accounts (and may be ledger or book entry accounts and not actual accounts) (such subaccounts are referred to herein as "**Accounts**"), as contemplated herein and in the Cash Management Agreement. The Clearing Account, the Deposit Account and all Accounts will be under the sole control and dominion of Lender, and Borrower shall have no right of withdrawal therefrom except as expressly provided herein. Borrower shall pay for all expenses of opening and maintaining the Clearing Account, the Deposit Account and all Accounts. Funds deposited into the Deposit Account shall be swept on each Business Day into an operating account as identified by Borrower, unless a Trigger Period is continuing, in which event such funds shall be held in the Deposit Account and applied and disbursed in accordance with this Agreement and the Cash Management Agreement.

Section 6.2. **Condominium Funds.**

6.2.1 **Deposits of Condominium Funds.** During the continuance of a Trigger Period, Borrower shall, subject to Sections 6.9.2, and 6.2.3 hereof, deposit with Lender on each Monthly Payment Date an amount equal to one-twelfth (1/12th) of the Condominium Charges that Lender reasonably estimates will be payable during the next ensuing twelve (12) months by Borrower for Condominium Common Charges and any special assessments and any other amounts which may become due and payable under the Condominium Documents for the Property (collectively, the "**Condominium Charges**") in order to accumulate with Lender sufficient funds to pay all sums billed to Borrower by the Condominium or Condominium Board for Condominium Charges at least ten (10) Business Days prior to the dates due, which amounts shall be transferred into an Account established to hold such funds (the "**Condominium Account**"). Amounts deposited from time to time into the Condominium Account pursuant to this Section 6.2.1 are referred to herein as the "**Condominium Funds**". If at any time Lender reasonably determines that the Condominium Funds will not be sufficient to pay the Condominium Charges, Lender shall notify Borrower of such determination and the succeeding monthly deposits for Condominium Charges shall be increased by the amount that Lender reasonably estimates is sufficient to make up the deficiency at least ten (10) days prior to the respective dates that such Condominium Charges become delinquent; provided, that if Borrower

receives notice from Lender of any deficiency after the date that is ten (10) days prior to the date that Condominium Charges become delinquent, Borrower will deposit with or on behalf of Lender the amount of such deficiency within three (3) Business Days after its receipt of such notice (provided that, if the Condominium Charges will become delinquent in less than three (3) Business Days, Borrower will deposit the required amounts within one (1) Business Day).

6.2.2 **Release of Condominium Funds.** Provided no Event of Default shall exist and remain uncured, Lender shall apply Condominium Funds in the Condominium Account to the timely payment of Condominium Charges. In making any payment relating to Condominium Charges, Lender may do so according to any bill, statement or estimate procured from the Condominium Board or its agent. If the amount of the Condominium Funds shall exceed the amounts due for Condominium Charges, Lender shall return any excess to Borrower or credit such excess against future monthly payments of Condominium Funds to be made. Provided no Event of Default has occurred and remains uncured, any Condominium Funds remaining in the Condominium Account after the Obligations have been paid in full or at such time as there is no Trigger Period continuing, shall be returned, within five (5) Business Days, to Borrower (or, in connection with the repayment of the Obligations in full, at Borrower's request, credited against the payoff amount of the outstanding Obligations on the payoff statement).

6.2.3 **Letter of Credit.** In lieu of depositing the full amount of Condominium Funds required hereunder in cash, subject to the limitations set forth in [Section 6.11](#), Borrower may deliver to Lender a Letter of Credit for all or any portion of such Condominium Funds. The aggregate amount of any Letter of Credit and/or cash on deposit with respect to the Condominium Account shall at all times be at least equal to the aggregate amount which Borrower is required to have on deposit at such time in the Condominium Account pursuant to this Agreement. If Borrower delivers to Lender a Letter of Credit in lieu of depositing cash into the Condominium Account, Borrower shall be responsible for paying directly all Condominium Charges subject to and in accordance with this Agreement. If Borrower fails to provide evidence reasonably satisfactory to Lender that the Condominium Charges have been paid in accordance with and subject to the terms of this Agreement, Lender shall have the right without prior notice to Borrower to draw on the Letter of Credit in an amount sufficient to pay the Condominium Charges then due. Provided that no Event of Default has occurred and is continuing, the amount of any Letter of Credit delivered pursuant to this [Section 6.2.3](#) may, at Borrower's discretion, from time to time be decreased to an amount equal to the then outstanding amounts required to be on deposit in the Condominium Account, taking into account deposits and disbursements from the Condominium Account that would have been made subject to and in accordance with this Agreement if cash had been deposited into the Condominium Account under [Section 6.2.1](#).

Section 6.3. **Tax Funds.**

6.3.1 **Deposits of Tax Funds.** During the continuance of a Trigger Period, Borrower shall, subject to [Sections 6.9.2](#), and [6.3.3](#), hereof, deposit with Lender on each Monthly Payment Date an amount equal to one-twelfth (1/12th) of the Taxes that Lender reasonably estimates will be payable during the next ensuing twelve (12) months in order to accumulate sufficient funds to pay all such Taxes at least ten (10) days prior to the respective dates the same shall become delinquent, which amounts shall be transferred into an Account established to hold such funds (the "**Tax Account**"). Amounts deposited from time to time into the Tax Account pursuant to this [Section 6.3.1](#) are referred to herein as the "**Tax Funds**". If at any time Lender reasonably determines that the Tax Funds will not be sufficient to pay the Taxes (taking into

account the monthly deposits of Tax Funds to be made above), Lender shall notify Borrower of such determination and the succeeding monthly deposits for Taxes shall be increased by the amount that Lender reasonably estimates is sufficient to make up the deficiency at least ten (10) days prior to the respective dates that such Taxes become delinquent; provided, that if Borrower receives notice from Lender of any deficiency after the date that is ten (10) days prior to the date that Taxes become delinquent, Borrower will deposit with or on behalf of Lender the amount of such deficiency within three (3) Business Days after its receipt of such notice (provided that, if the Taxes will become delinquent in less than three (3) Business Days, Borrower will deposit the required amounts within one (1) Business Day).

6.3.2 **Release of Tax Funds.** Provided no Event of Default shall exist and remain uncured, Lender shall apply Tax Funds in the Tax Account to the timely payment of Taxes. In making any payment relating to Taxes, Lender may do so according to any bill, statement or estimate procured from the appropriate public office (with respect to Taxes) without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof. If the amount of the Tax Funds shall exceed the amounts due for Taxes, Lender shall return any excess to Borrower or credit such excess against future monthly payments of Tax Funds to be made. Provided no Event of Default has occurred and remains uncured, any Tax Funds remaining in the Tax Account after the Obligations have been paid in full or at such time as there is no Trigger Period continuing, shall be returned, within five (5) Business Days, to Borrower (or, in connection with the repayment of the Obligations in full, at Borrower's request, credited against the payoff amount of the outstanding Obligations on the payoff statement).

6.3.3 **Letter of Credit.** In lieu of depositing the full amount of Tax Funds required hereunder in cash, subject to the limitations set forth in Section 6.11, Borrower may deliver to Lender a Letter of Credit for all or any portion of such Tax Funds. The aggregate amount of any Letter of Credit and/or cash on deposit with respect to the Tax Account shall at all times be at least equal to the aggregate amount which Borrower is required to have on deposit at such time in the Tax Account pursuant to this Agreement. If Borrower delivers to Lender a Letter of Credit in lieu of depositing cash into the Tax Account, Borrower shall be responsible for paying directly all Taxes subject to and in accordance with this Agreement. If Borrower fails to provide evidence reasonably satisfactory to Lender that the Taxes have been paid in accordance with and subject to the terms of this Agreement, Lender shall have the right without prior notice to Borrower to draw on the Letter of Credit in an amount sufficient to pay the Taxes then due. Provided that no Event of Default has occurred and is continuing, the amount of any Letter of Credit delivered pursuant to this Section 6.3.3 may, at Borrower's discretion, from time to time be decreased to an amount equal to the then outstanding amounts required to be on deposit in the Tax Account, taking into account deposits and disbursements from the Tax Account that would have been made subject to and in accordance with this Agreement if cash had been deposited into the Tax Account under Section 6.3.1.

Section 6.4. **Insurance Funds.**

6.4.1 **Deposits of Insurance Funds.** During the continuance of a Trigger Period, Borrower shall, subject to Sections 6.9.2, 6.4.3, and 6.4.4, hereof, deposit with Lender on each Monthly Payment Date, an amount equal to one-twelfth (1/12th) of the Insurance Premiums that Lender reasonably estimates will be payable for the renewal of the coverage afforded by the Policies upon the expiration thereof, in order to accumulate sufficient funds to pay all such

Insurance Premiums at least ten (10) days prior to the expiration of the Policies, which amounts shall be transferred into an Account established to hold such funds (the “*Insurance Account*”). Amounts deposited from time to time into the Insurance Account pursuant to this [Section 6.4.1](#) are referred to herein as the “*Insurance Funds*”. If at any time Lender reasonably determines that the Insurance Funds will not be sufficient to pay the Insurance Premiums (taking into account the monthly deposits of Insurance Funds to be made above), Lender shall notify Borrower of such determination and the succeeding monthly deposits for Insurance Premiums shall be increased by the amount that Lender reasonably estimates is sufficient to make up the deficiency at least ten (10) days prior to expiration of the Policies.

6.4.2 **Release of Insurance Funds.** Provided no Event of Default shall exist and remain uncured, Lender shall apply Insurance Funds in the Insurance Account to the timely payment of Insurance Premiums, provided Borrower shall furnish Lender with all bills, invoices and statements for the Insurance Premiums for which such funds are required at least ten (10) Business Days prior to the date on which such charges first become payable. In making any payment relating to Insurance Premiums, Lender may do so according to any bill, statement or estimate provided by Borrower pursuant to the foregoing sentence. If the amount of the Insurance Funds shall exceed the amounts due for Insurance Premiums, Lender shall return any excess to Borrower or credit such excess against future monthly payments of Insurance Funds to be made. Any Insurance Funds remaining in the Insurance Account after the Obligations have been paid in full or at such time as there is no Trigger Period continuing, shall be returned, within five (5) Business Days, to Borrower (or, in connection with the repayment of the Obligations in full, at Borrower’s request, credited against the payoff amount of the outstanding Obligations on the payoff statement).

6.4.3 **Acceptable Blanket Policy.** Notwithstanding anything to the contrary contained in [Section 6.4.1](#), in the event that an Acceptable Blanket Policy is in effect with respect to any of the Policies required pursuant to [Section 5.1](#), deposits into the Insurance Account required for Insurance Premiums pursuant to [Section 6.4.1](#) above shall be suspended to the extent that Insurance Premiums relate to such Acceptable Blanket Policy. Lender acknowledges that, as of the Closing Date, an Acceptable Blanket Policy is in effect with respect to the Policies required as of the Closing Date pursuant to [Section 5.1](#).

6.4.4 **Letter of Credit.** In lieu of depositing the full amount of Insurance Funds required hereunder in cash, subject to the limitations set forth in [Section 6.11](#), Borrower may deliver to Lender a Letter of Credit for all or any portion of such Insurance Funds. The aggregate amount of any Letter of Credit and/or cash on deposit with respect to the Insurance Account shall at all times be at least equal to the aggregate amount which Borrower is required to have on deposit at such time in the Insurance Account pursuant to this Agreement. If Borrower delivers to Lender a Letter of Credit in lieu of depositing cash into the Insurance Account, Borrower shall be responsible for paying directly all Insurance Premiums subject to and in accordance with this Agreement. If Borrower fails to provide evidence reasonably satisfactory to Lender that the Insurance Premiums have been paid in accordance with and subject to the terms of this Agreement, Lender shall have the right without prior notice to Borrower to draw on the Letter of Credit in an amount sufficient to pay the Insurance Premiums then due. Provided that no Event of Default has occurred and is continuing, the amount of any Letter of Credit delivered pursuant to this [Section 6.4.4](#) may, at Borrower’s discretion, from time to time be decreased to an amount equal to the then outstanding amounts required to be on

deposit in the Insurance Account, taking into account deposits and disbursements from the Insurance Account that would have been made subject to and in accordance with this Agreement if cash had been deposited into the Insurance Account under [Section 6.4.1](#).

Section 6.5. **Capital Expenditure Funds.**

6.5.1 **Deposits of Capital Expenditure Funds.** During the continuance of a Trigger Period, Borrower shall, subject to [Sections 6.9.2](#) and [6.5.3](#) hereof, deposit with Lender on each Monthly Payment Date an amount equal to \$23,000, for Capital Expenditures, which amounts shall be transferred into an Account established to hold such funds (the "***Capital Expenditure Account***"). Amounts deposited from time to time into the Capital Expenditure Account pursuant to this [Section 6.5.1](#) are referred to herein as the "***Capital Expenditure Funds***".

6.5.2 **Release of Capital Expenditure Funds.** Provided no Event of Default shall exist and remain uncured, Lender shall disburse Capital Expenditure Funds to Borrower out of the Capital Expenditure Account, within five (5) Business Days after the delivery by Borrower to Lender of a request therefor (but not more often than once per month), in increments of at least \$10,000 (or a lesser amount if the total amount in the Capital Expenditure Account is less than \$10,000, in which case only one (1) disbursement of the amount remaining in the account shall be made) provided that: (i) such disbursement is for an Approved Capital Expenditure; (ii) the request for disbursement is accompanied by (A) an Officer's Certificate from Borrower (1) stating that the items to be funded by the requested disbursement are Approved Capital Expenditures, and a description thereof, (2) stating that all Capital Expenditures to be funded by the requested disbursement have been completed (or completed to the extent of the requested disbursement) in a good and workmanlike manner and in accordance with all applicable Legal Requirements, (3) stating that the Capital Expenditures (or the relevant portions thereof) to be funded from the disbursement in question have not been the subject of a previous disbursement, and (4) stating that all previous disbursements of Capital Expenditure Funds have been used to pay previously identified Capital Expenditures, (B) a copy of any license, permit or other approval required by any Governmental Authority in connection with such Capital Expenditure, if any, and not previously delivered to Lender, (C) copies of appropriate lien waivers, conditional lien waivers, or other evidence of payment reasonably satisfactory to Lender, (D) for disbursements in the amount of \$1,000,000 or more, at Lender's option, a title search for the Property indicating that the Property is free from all Liens, claims and other encumbrances not permitted hereunder or under the other Loan Documents, and (E) such other evidence as Lender shall reasonably request to demonstrate that the Capital Expenditures to be funded by the requested disbursement have been completed and are paid for or will be paid upon such disbursement to Borrower (or the portion thereof as to which such request for disbursement has been submitted has been completed and is paid for (other than any retention amount which is not a part of such disbursement request) or will be paid upon such disbursement to Borrower) and (iii) if such disbursement request is for \$1,000,000 or more, Lender shall have (if it desires) verified (by an inspection conducted at Borrower's reasonable out-of-pocket expense) performance of the work associated with such Capital Expenditure. Any Capital Expenditure Funds remaining in the Capital Expenditure Account after the Obligations have been paid in full or at such time as there is no Trigger Period continuing shall be returned, within five (5) Business Days, to Borrower (or, at Borrower's request, credited against the payoff amount of the outstanding Obligations on the payoff statement).

6.5.3 **Letter of Credit.** In lieu of depositing the full amount of Capital Expenditure Funds required hereunder in cash, subject to the limitations set forth in Section 6.11, Borrower may deliver to Lender a Letter of Credit for all or any portion of such Capital Expenditure Funds. The aggregate amount of any Letter of Credit and/or cash on deposit with respect to the Capital Expenditure Account shall at all times be at least equal to the aggregate amount which Borrower is required to have on deposit at such time in the Capital Expenditure Account pursuant to this Agreement. If Borrower delivers to Lender a Letter of Credit in lieu of depositing cash into the Capital Expenditure Account, Borrower shall be responsible for paying directly all Capital Expenditures (without limiting Borrower's right to receive disbursements in accordance herewith from any cash reserves that are also held by Lender therefor) subject to and in accordance with this Agreement. If Borrower fails to provide evidence reasonably satisfactory to Lender of the payment of any Capital Expenditures subject to and in accordance with this Agreement, Lender shall have the right without prior notice to Borrower to draw on the Letter of Credit in an amount sufficient to pay the costs of such Capital Expenditures then due. Provided that no Event of Default has occurred and is continuing, the amount of any Letter of Credit delivered pursuant to this Section 6.5.3 may, at Borrower's discretion, from time to time be decreased to an amount equal to the then outstanding amounts required to be on deposit in the Capital Expenditure Account, taking into account deposits and disbursements from the Capital Expenditure Account that would have been made subject to and in accordance with this Agreement if cash had been deposited into the Capital Expenditure Account under Section 6.5.1.

Section 6.6. **Rollover Funds.**

6.6.1 **Deposits of Rollover Funds.**

(a) During the continuance of a Trigger Period, Borrower shall, subject to Sections 6.9.2 and 6.6.3 hereof, deposit with Lender on each Monthly Payment Date an amount equal to \$113,071.75, for Acceptable Leasing Expenses, which amounts shall be transferred into an Account established to hold such funds (the "**Rollover Account**"). Amounts deposited from time to time into the Rollover Account pursuant to this Section 6.6.1 are referred to herein as the "**Rollover Funds**".

(b) In addition to the required monthly deposits set forth in subsection (a) above, the following items shall be deposited into the Rollover Account and held as Rollover Funds, and Borrower shall advise Lender at the time of receipt thereof of the nature of such receipt so that Lender shall have sufficient time to instruct the Deposit Bank to deposit and hold such amounts in the Rollover Account pursuant to the Cash Management Agreement: all sums paid with respect to (i) a modification of any Lease that materially reduces the Rent paid thereunder or the space demised thereunder, and (ii) any rejection, termination, surrender or cancellation of any Lease (including in any bankruptcy case) or any lease buy-out or surrender payment from any Tenant (including any payment relating to unamortized tenant improvements and/or leasing commissions) (collectively, "**Lease Termination Payments**"); provided, however, that, provided no Trigger Event has occurred or is continuing, any portion of any individual Lease Termination Payment remaining in the Rollover Account (the "**Remaining Lease Termination Payments**") after (x) substantially all of the applicable space has been relet or such lesser amount of the applicable space has been relet for not less than the same amount of aggregate rent and recoveries as the terminating tenant and (y) all associated costs have been paid (including, without limitation, brokerage commissions, tenant allowances and improvements, and rent abatements) shall be disbursed promptly to Borrower.

6.6.2 **Release of Rollover Funds.** Provided no Event of Default shall exist and remain uncured, Lender shall disburse Rollover Funds to Borrower out of the Rollover Account, within five (5) Business Days after the delivery by Borrower to Lender of a request therefor (but not more often than once per month), in increments of at least \$10,000 (or a lesser amount if the total amount in the Rollover Account is less than \$10,000, in which case only one (1) disbursement of the amount remaining in the account shall be made) provided that: (i) such disbursement is for an Acceptable Leasing Expense; and (ii) the request for disbursement is accompanied by (A) an Officer's Certificate from Borrower (1) stating that the items to be funded by the requested disbursement are Acceptable Leasing Expenses, and a description thereof, (2) stating that any tenant improvements at the Property to be performed by Borrower and to be funded by the requested disbursement (or the relevant portion thereof as to which such request for funds relates) have been completed in a good and workmanlike manner and in accordance with all applicable Legal Requirements, (3) stating that the Acceptable Leasing Expenses (or the relevant portions thereof) to be funded from the disbursement in question have not been the subject of a previous disbursement, and (4) stating that all previous disbursements of Rollover Funds have been used to pay previously identified Acceptable Leasing Expenses, (B) a copy of any license, permit or other approval by any Governmental Authority required in connection with the tenant improvements and not previously delivered to Lender; provided, however, that if Borrower is not performing the tenant improvements, then Borrower shall use commercially reasonable efforts to cause the Tenant to deliver the foregoing to the extent required under such Tenant's Lease, (C) copies of appropriate lien waivers, conditional lien waivers or other evidence of payment reasonably satisfactory to Lender; provided, however, that if Borrower is not performing the tenant improvements, then Borrower shall use commercially reasonable efforts to cause the Tenant to deliver the foregoing to the extent required under such Tenant's Lease, (D) for disbursements in the amount of \$1,000,000 or more, at Lender's option, a title search for the Property indicating that the Property is free from all Liens, claims and other encumbrances not permitted hereunder or under the other Loan Documents, (E) for tenant improvements with respect to a single demised premises under a Lease in an aggregate amount of \$1,000,000 or more, if requested by Lender, with respect to the final disbursement from the Rollover Account for such tenant improvement costs, a current Tenant estoppel certificate in form and substance required under such Tenant's Lease and otherwise reasonably acceptable to Lender and (F) such other evidence as Lender shall reasonably request to demonstrate that the Acceptable Leasing Expenses, to be funded by the requested disbursement have been paid for or will be paid upon such disbursement to Borrower (or the portion thereof as to which such request for disbursement has been submitted has been paid for (other than any retention amount which is not a part of such disbursement request) or will be paid upon such disbursement to Borrower). Any Rollover Funds remaining in the Rollover Account after the Obligations have been paid in full or at such time as there is no Trigger Period continuing shall be returned, within five (5) Business Days, to Borrower (or, at Borrower's request, credited against the payoff amount of the outstanding Obligations on the payoff statement).

6.6.3 **Letter of Credit.** In lieu of depositing the full amount of Rollover Funds required hereunder in cash, subject to the limitations set forth in [Section 6.11](#), Borrower may deliver to Lender a Letter of Credit for all or any portion of such Rollover Funds. The aggregate amount of any Letter of Credit and/or cash on deposit with respect to the Rollover Account shall at all times be at least equal to the aggregate amount which Borrower is required to have on deposit at such time in the Rollover Account pursuant to this Agreement. If Borrower delivers to Lender a Letter of Credit in lieu of depositing cash into the Rollover Account, Borrower shall be

responsible for paying directly all tenant improvement costs, leasing commissions and other leasing costs (without limiting Borrower's right to receive disbursements in accordance herewith from any cash reserves that are also held by Lender therefor) subject to and in accordance with this Agreement. If Borrower fails to provide evidence reasonably satisfactory to Lender of the payment of any tenant improvement costs, leasing commissions or other leasing costs in accordance with this Agreement or the applicable Lease, Lender shall have the right without prior notice to Borrower to draw on the Letter of Credit in an amount sufficient to pay such leasing costs. Provided that no Event of Default has occurred and is continuing, the amount of any Letter of Credit delivered pursuant to this [Section 6.6.3](#) may, at Borrower's discretion, from time to time be decreased to an amount equal to the then outstanding amounts required to be on deposit in the Rollover Account, taking into account deposits and disbursements from the Rollover Account that would have been made subject to and in accordance with this Agreement if cash had been deposited into the Rollover Account.

Section 6.7. **Casualty and Condemnation Account.** Borrower shall, subject to [Section 6.9.2](#) hereof, pay, or cause to be paid, to Lender all Insurance Proceeds or Awards due to any Casualty or Condemnation in accordance with the provisions of [Sections 5.2](#) and [5.3](#) (but subject to [Section 5.4](#)), which amounts shall be transferred into an Account established to hold such funds (the "**Casualty and Condemnation Account**"). Amounts deposited from time to time into the Casualty and Condemnation Account pursuant to this [Section 6.7](#) are referred to herein as the "**Casualty and Condemnation Funds**". All Casualty and Condemnation Funds shall be held, disbursed and/or applied in accordance with the provisions of [Sections 5.2](#), [5.3](#), and [5.4](#) hereof.

Section 6.8. **Cash Collateral Funds.** If a Trigger Period shall be continuing, all Available Cash shall be paid to Lender, which amounts shall be transferred by Lender into an Account established to hold such amounts (the "**Cash Collateral Account**") to be held by Lender as cash collateral for the Debt. Amounts on deposit from time to time in the Cash Collateral Account pursuant to this [Section 6.8](#) are referred to as the "**Cash Collateral Funds**". Any Cash Collateral Funds on deposit in the Cash Collateral Account not previously disbursed or applied shall be disbursed to Borrower within five (5) Business Days of the termination of such Trigger Period. Notwithstanding the foregoing, during the continuance of an Event of Default Lender shall have the right, but not the obligation, at any time, in its sole and absolute discretion to (a) hold the Cash Collateral Funds as additional collateral for the Debt and (b) following the acceleration of all or any portion of the Debt or the occurrence of the Maturity Date, apply any and all Cash Collateral Funds then on deposit in the Cash Collateral Account to the Debt or the Obligations to the extent then due and payable, in such order and in such manner as Lender shall elect in its sole and absolute discretion (including, following the maturity or acceleration of the Loan, to make a repayment of principal (together with the applicable Spread Maintenance Premium, if any, applicable thereto)) or any other amounts due hereunder.

Section 6.9. **Property Cash Flow Allocation.**

6.9.1 **Order of Priority of Funds in Deposit Account.** Provided no Trigger Event has occurred and is continuing, on each Business Day all funds deposited in the Deposit Account shall be disbursed to or as directed by Borrower by wire transfer. During the continuance of any Trigger Period, on each Monthly Payment Date during the Term, except upon the occurrence and during the continuance of an Event of Default, all funds on deposit in the Deposit Account shall be applied on such Monthly Payment Date in the following order of

priority (after the transfer to the Casualty and Condemnation Account of any Net Proceeds required to be deposited therein pursuant to Section 6.7):

- (i) First, to the Tax Account, to make the required payments of Tax Funds as required under Section 6.3;
- (ii) Second, to the Insurance Account, to make any required payments of Insurance Funds as, and to the extent, required under Section 6.4;
- (iii) Third, to Lender, funds sufficient to pay interest due on such Monthly Payment Date, together with any other amounts then due to Lender for late payment charges, including, without limitation, interest at the Default Rate (other than those required to be paid pursuant to the other clauses of this Section 6.9);
- (iv) Fourth, to the Condominium Account, to make the required payments of Condominium Funds as required under Section 6.2;
- (v) Fifth, to the Capital Expenditure Account, to make the required payments of Capital Expenditure Funds as required under Section 6.5;
- (vi) Sixth, to the Rollover Account, to make the required payments of Rollover Funds as required under Section 6.6;
- (vii) Seventh, to Lender, of any other amounts then due and payable under the Loan Documents;
- (viii) Eighth, subject to the terms of the Cash Management Agreement, to Borrower, funds in an amount equal to the Monthly Operating Expense Budgeted Amount (excluding Taxes, Insurance Premiums and Condominium Charges);
- (ix) Ninth, to Borrower, payments for Approved Extraordinary Expenses, if any; and
- (x) Lastly all amounts remaining after payment of the amounts set forth in clauses (i) through (x), above (the "*Available Cash*") to the Cash Collateral Account to be held or disbursed in accordance with Section 6.8, provided that Lender shall on each Monthly Payment Date use all Available Cash to make the required payments of Tax Funds, Insurance Funds, Capital Expenditure Funds, Rollover Funds and Condominium Funds as required under Sections 6.2, 6.3, 6.4, 6.5 or 6.6, as applicable, in the order of priority set forth in this Section 6.9.1 to the extent that funds then on deposit in the Deposit Account shall be insufficient to make such payments in accordance with the order of priority set forth in this Section 6.9.1.

6.9.2 Failure to Make Payments. Notwithstanding anything to the contrary contained herein, during the existence of a Trigger Period, but without limiting Borrower's obligations under Section 6.1, Borrower shall have no further obligation to transfer or deposit any Reserve Funds pursuant to Section 6.2, 6.3, 6.4, 6.5 or 6.6 hereof so long as adequate funds

are available in the Deposit Account or the Cash Collateral Account for such deposits. The failure by the Deposit Bank to allocate such funds into the appropriate Accounts shall not constitute an Event of Default.

6.9.3 **Application After Even of Default.** Notwithstanding anything to the contrary contained in this Article 6, upon the occurrence and during the continuance of an Event of Default and following the acceleration of all or any portion of the Debt or the occurrence of the Maturity Date, Lender, at its option, may apply any Gross Revenue then in the possession of Lender or Deposit Bank (including any Reserve Funds on deposit in any Cash Management Account) to the payment of the portions of the Debt that are then due and payable in such order, proportion and priority as Lender may determine in its sole and absolute discretion (including, following the maturity or acceleration of the Loan, toward a repayment of principal (which repayment shall be accompanied by the applicable Spread Maintenance Premium, if any, applicable thereto)). Lender's right to withdraw and apply any of the foregoing funds shall be in addition to all other rights and remedies provided to Lender under the Loan Documents.

6.10. **Security Interest in Reserve Funds.** As security for payment of the Debt and the performance by Borrower of all Other Obligations, Borrower hereby pledges and assigns to Lender, and grants to Lender a security interest in, all of Borrower's right, title and interest in and to all payments to or monies held in the Clearing Account, the Deposit Account and Accounts (collectively, the "**Cash Management Accounts**"). Borrower hereby grants to Lender a continuing security interest in, and agrees to hold in trust for the benefit of Lender, all Rents in its possession prior to the (i) payment of such Rents to Lender or (ii) deposit of such Rents into the Deposit Account. Borrower shall not, without obtaining the prior written consent of Lender, further pledge, assign or grant any security interest in any Cash Management Account, or permit any Lien to attach thereto, or any levy to be made thereon, or any UCC Financing Statements, except those naming Lender as the secured party, to be filed with respect thereto (other than the Liens created pursuant to the Loan Documents and the Permitted Encumbrances). This Agreement is, among other things, intended by the parties to be a security agreement for purposes of the UCC. Upon the occurrence and during the continuance of an Event of Default and following the acceleration of all or any portion of the Debt or the occurrence of the Maturity Date, Lender may apply any sums in any Cash Management Account to the payment of the portions of the Debt that are then due and payable in any order and in any manner as Lender shall elect in Lender's discretion (including, following the maturity or acceleration of the Loan, to the repayment of principal (which repayment shall be accompanied by the applicable Spread Maintenance Premium, if any, applicable thereto)) without seeking the appointment of a receiver and without adversely affecting the rights of Lender to foreclose the Lien of the Mortgage or exercise its other rights under the Loan Documents. Cash Management Accounts shall not constitute trust funds and may be commingled with other monies held by Lender; provided however, that Reserve Funds shall not be commingled. Provided no Event of Default has occurred and is continuing, all interest which accrues on the funds in any Account shall accrue for the benefit of Borrower and shall be taxable to Borrower and shall be added to and disbursed in the same manner and under the same conditions as the principal sum on which said interest accrued. Notwithstanding anything to the contrary contained herein, upon repayment in full of the Debt, all remaining funds in the Accounts, if any, shall, within five (5) Business Days, be disbursed to Borrower (or, at Borrower's request, credited against the payoff amount of the outstanding Obligations on the payoff statement).

Section 6.11. **Limitations on Letters of Credit/Guarantees.** The aggregate amount of all Letters of Credit, Alteration Deficiency Guaranties, and other guaranties provided by Borrower pursuant to this Agreement (excluding, however, the Completion Guaranty), shall not exceed ten percent (10%) of the Outstanding Principal Balance, in each case to the extent outstanding at the time of determination, unless (i) Borrower delivers to Lender an opinion of counsel to the effect that delivery of such Letter of Credit, Alteration Deficiency Guaranty, or other guaranty does not alter the conclusion reached in the Insolvency Opinion or a new non-consolidation opinion, in each case which opinion and any counsel delivering such opinion (if not counsel who delivered the Insolvency Opinion) shall be reasonably acceptable to Lender and to the Rating Agencies (as evidenced by receipt of Rating Agency Confirmation, provided that to the extent any Rating Agency refuses to review such matter, such Rating Agency Confirmation requirement shall be deemed waived with respect to such Rating Agency), or (ii) in the case of a Letter of Credit, Borrower shall have no reimbursement obligations with respect to such Letter of Credit and such Letter of Credit shall be a capital contribution to Borrower and shall be accompanied by the execution and delivery of a contribution agreement in the form attached hereto as Exhibit D.

VII.

PERMITTED TRANSFERS

Section 7.1. **Permitted Transfer of the Entire Property.**

(a) Notwithstanding the provisions of Section 4.2, Borrower shall have, following the earlier to occur of (i) a Securitization of the Loan or (ii) the date that is six (6) months subsequent to the Closing Date (the "**Permitted Transfer Date**"), the right to (x) convey the entire Property in its entirety to any Person (a "**Transferee**"), and have such Transferee assume all of Borrower's obligations under the Loan Documents (a "**Property Sale**"), or (y) transfer (but not pledge) direct or indirect equity interests in Borrower to a Transferee which would not be a Permitted Transfer hereunder (an "**Equity Sale**"), subject to the terms and full satisfaction of all of the conditions precedent set forth in Section 7.1(b) (each, a "**Transfer and Assumption**").

(b) Each Transfer and Assumption shall be subject to the following conditions:

(i) Borrower shall have provided Lender with not less than thirty (30) days prior written notice, which notice shall contain sufficient detail to enable Lender to reasonably determine that the Transferee complies with the requirements set forth herein;

(ii) no Event of Default shall have occurred and be continuing;

(iii) if such Transfer and Assumption is a Property Sale, the Transferee shall be a Special Purpose Bankruptcy Remote Entity in accordance with Section 4.4, and if such Transfer and Assumption is an Equity Sale, Borrower will continue to be a Special Purpose Bankruptcy Remote Entity;

(iv) Transferee or Borrower, as the case may be, shall be Controlled by a

Person (an “*Eligible Control Person*”) who (x) is a Qualified Transferee owning, directly or indirectly, not less than fifty-one percent (51%) of the equity interests in Transferee or Borrower, as applicable, (y) prior to a Securitization, whose identity and experience is reasonably acceptable to Lender and (z) is a Confirmed Qualified Owner or an Eligible Qualified Owner;

(v) the Property shall be managed by (x) a Qualified Manager, (y) an Affiliate of the Transferee (in the case of a Property Sale) or Borrower (in the case of an Equity Sale) or (z) any other property manager acceptable to Lender;

(vi) in the case of the a Property Sale, Transferee shall have executed and delivered to Lender an assumption agreement in form and substance reasonably acceptable to Lender;

(vii) if, following the Transfer and Assumption, Guarantor no longer Controls or owns any direct or indirect interest in either Borrower (in the case of an Equity Sale) or the Transferee (in the case of a Property Sale) and is not under Common Control with a Person that Controls or owns a direct or indirect interest in either Borrower (in the case of an Equity Sale) or the Transferee (in the case of a Property Sale) one or more Approved Replacement Guarantors shall deliver to Lender a guaranty of recourse obligations (in substantially the same form as the Guaranty, but on a joint and several basis if there are multiple Approved Replacement Guarantors, and containing a representation and covenant that the guarantor maintains and will maintain, collectively with all other Approved Replacement Guarantors and any Guarantors that are not released from their obligations under the Guaranty in connection with such Transfer and Assumption, a Net Worth of not less than \$250,000,000) and an environmental indemnity agreement (in substantially the same form as the Environmental Indemnity), pursuant to which, in each case, the Approved Replacement Guarantor(s) agree(s) to be liable under each such guaranty of recourse obligations and environmental indemnity agreement at least from and after the date of such Transfer and Assumption (whereupon the previous guarantor shall be released from all or any further liability, as applicable, under the guaranty of recourse obligations for acts that arise from and after the date of such Transfer and Assumption and such Approved Replacement Guarantor(s) shall be the “Guarantor” for all purposes set forth in this Agreement);

(viii) if, following the Transfer and Assumption, Guarantor continues to Control or own a direct or indirect interest in either Borrower (in the case of an Equity Sale) or the Transferee (in the case of a Property Sale) or is under Common Control with a Person that Controls or owns a direct or indirect interest in either Borrower (in the case of an Equity Sale) or the Transferee (in the case of a Property Sale), Guarantor shall reaffirm its obligations and liabilities under the Guaranty and the Environmental Indemnity in form and substance reasonably acceptable to Lender;

(ix) Transferee or Borrower shall submit to Lender true, correct and complete copies of all documents reasonably requested by Lender concerning the organization and existence of Transferee or Borrower and each Approved

Replacement Guarantor (if any);

(x) satisfactory Patriot Act, OFAC and similar searches shall have been received by Lender with respect to (A) each Approved Replacement Guarantor (if any), (B) Transferee, (C) any Person that Controls Transferee or Borrower or owns an equity interest in Transferee or Borrower which equals or exceeds twenty percent (20%) and (D) any other Person reasonably required by Lender in order for Lender to fulfill Patriot Act compliance guidelines required by the Patriot Act in connection with such Transfer and Assumption;

(xi) Lender shall have received a Rating Agency Confirmation from each of the applicable Rating Agencies, provided that to the extent any Rating Agency refuses to review such matter, such Rating Agency Confirmation requirement shall be deemed waived with respect to such Rating Agency;

(xii) counsel to Transferee or Borrower and each Approved Replacement Guarantor(s) shall deliver to Lender opinions, from the same law firms that provided similar opinions on the Closing Date (or their applicable successors) or other nationally recognized law firms, in form and substance reasonably satisfactory to Lender as to such matters as Lender shall reasonably require, which may include opinions as to substantially the same matters as were required in connection with the origination of the Loan (including a new substantive non-consolidation opinion);

(xiii) Transferee or Borrower shall deliver to Lender, upon such conveyance, a transfer fee equal to 0.15% of the Outstanding Principal Balance; provided that the transfer fee with respect to the first Assumption subject to and in accordance with this Section 7.1 shall be \$250,000;

(xiv) unless (x) in connection with a Property Sale, the Interest Rate Cap Agreement is novated to Transferee or (y) in connection with an Equity Sale, the Equity Sale does not breach or result in a default under the Interest Rate Cap Agreement (or the Equity Sale is consented to by the Counterparty), Transferee (in connection with a Property Sale) or Borrower (in connection with an Equity Sale) shall (A) deliver a Replacement Interest Rate Cap Agreement from an Approved Counterparty, in a notional amount equal to the Outstanding Principal Balance, which Replacement Interest Rate Cap Agreement shall be (1) effective for the period commencing on the day of such Transfer and Assumption and ending on the last day of the Interest Period in which the Maturity Date occurs and (2) otherwise on same terms set forth in Section 2.6 and (B) execute and deliver an Acknowledgement with respect to each such Replacement Interest Rate Cap Agreement;

(xv) Transferee (in connection with a Property Sale) and Borrower (in connection with an Equity Sale) must be able to satisfy, at the time of consummation of the Transfer and Assumption, the representations and covenants set forth in Sections 3.1.8, 3.1.26, 4.31, and 4.32; and

(xvi) Transferee and/or Borrower shall pay all of Lender's reasonable out-

of-pocket costs and expenses (including, without limitation, reasonable attorney's fees and disbursements) in connection with the Transfer and Assumption (which amount shall be in addition to any Assumption fees payable hereunder).

Section 7.2. **Permitted Transfers.** Notwithstanding anything to the contrary contained in Section 4.2, the following Transfers (herein, the "**Permitted Transfers**") shall be permitted hereunder without any consent or approval of Lender and without the requirement to satisfy any other conditions and without the payment of any fee:

- (a) all Leases and all equipment leases that satisfy the requirements of Section 4.21;
- (b) any Transfer and Assumption entered into in compliance with Section 7.1;
- (c) all Permitted Encumbrances;
- (d) the transfer of publicly traded shares, units or other publicly traded interests in any indirect equity owner of Borrower, provided, that the Control and Ownership Condition is satisfied;
- (e) Following the Permitted Transfer Date, Transfers of (but not a mortgage, pledge, hypothecation, encumbrance or grant of a security interest in) the direct or indirect beneficial interests in Borrower, provided that:
 - (i) Lender receives thirty (30) days' prior written notice thereof, unless such Transfer is between or among the direct or indirect beneficial owners of Borrower, and/or the Affiliates of the direct or indirect beneficial owners of Borrower, as of the Closing Date,
 - (ii) subsequent to such Transfer, not less than 51% of the equity interests in Borrower are owned (directly or indirectly) and Borrower is Controlled by ALX or its permitted successor pursuant to a prior merger, consolidation or sale in connection with a Guarantor/EQO Transfer or an Eligible Control Person pursuant to a prior Transfer and Assumption in accordance with Section 7.1 above,
 - (iii) immediately prior to such Transfer, no Event of Default shall have occurred and be continuing,
 - (iv) subsequent to such Transfer, Borrower will continue to be a Special Purpose Bankruptcy Remote Entity,
 - (v) such Transfer does not result in a violation of any Legal Requirements, including, without limitation, ERISA and the Patriot Act,
 - (vi) if such Transfer results in any Person acquiring more than 49% of the direct or indirect equity interest in Borrower and such Person did not own more than 49% of the direct or indirect equity interest in Borrower on the Closing Date, Borrower shall have delivered to Lender with respect to such Person a new non-consolidation opinion from the law firm that provided the Insolvency

Opinion on the Closing Date (or its successor) or another nationally recognized law firm, in form and substance reasonably satisfactory to Lender that in Lender's reasonable judgment satisfies the then-current criteria of the Rating Agencies; and

(vii) the Property shall continue to be managed by a Qualified Manager or any other property manager in accordance with the requirements of Section 4.14.2;

(f) all Permitted 731 Transfers, provided, that if any Guarantor/EQO Transfer results in any Person (together with such Person's Affiliates) acquiring more than 49% of the direct or indirect equity interest in Borrower and such Person (together with its Affiliates) did not own more than 49% of the direct or indirect equity interest in Borrower on the Closing Date, Borrower shall have delivered to Lender with respect to such Person a new non-consolidation opinion from the law firm that provided the Insolvency Opinion on the Closing Date (or its successor) or another nationally recognized law firm, in form and substance reasonably satisfactory to Lender that in Lender's reasonable judgment satisfies the then-current criteria of the Rating Agencies;

(g) Transfers or disposal of building equipment which is being replaced or which is no longer necessary in connection with the operation of the Property free from the Lien of the Mortgage, provided, that such Transfer or disposal would not reasonably be expected to and does not have a Material Adverse Effect on the value of the Property taken as a whole, will not materially impair the utility or condition of the Property, and will not result in a reduction or abatement of, or right of offset against, the Rents payable under any Lease, in any such case as a result thereof, and provided, further, that any new building equipment acquired by Borrower shall be subject to the Lien of the Mortgage, it being agreed that Lender shall, from time to time, upon receipt of a written request from Borrower in which Borrower represents and warrants that the conditions set forth above are satisfied, execute a written instrument in form reasonably satisfactory to Lender to confirm that such building equipment which is to be, or has been, sold or disposed of is free from the Lien of the Mortgage. Borrower shall execute and deliver, or cause to be executed and delivered, to Lender such documents, instruments, certificates, assignments and other writings, and do such other acts necessary or desirable, to evidence, preserve and/or protect Lender's security interest in any such new building equipment, as Lender may reasonably require; and

(h) (a) immaterial Transfers of portions of the Property to Governmental Authorities for dedication and (b) granting of easements, restrictions, covenants, reservations and rights-of-way in the ordinary course of business for access, water and sewer lines, telephone or other fiber optic or other data transmission lines, electric lines or other utilities or for other similar purposes, provided in each case that no such grant shall materially impair the utility and operation of the Property, result in a breach or violation of the Condominium Documents or would reasonably be expected to or does result in a Material Adverse Effect, it being agreed that, in connection with any Transfer permitted pursuant to this clause (h), Lender shall execute and deliver any instrument reasonably necessary or appropriate, in the case of the Transfers referred to in clause (a) above, to release the portion of the Property affected by such Transfer from the Lien of the Mortgage or, in the case of clause (b) above, to subordinate the Lien of the Mortgage to such easements, restrictions, covenants, reservations and rights-of-way or other similar grants upon receipt by Lender of: (A) thirty (30) days' prior written notice thereof; (B) a copy of the instrument or instruments of Transfer; (C) an Officer's Certificate stating (i) with respect to any

Transfer, the consideration, if any, being paid for the Transfer, (II) that such Transfer does not materially impair the utility, condition and operation of the applicable Individual Property or materially reduce the value of the Property, and (III) that such Transfer complies with all Legal Requirements and the Condominium Documents and would not reasonably be expected to, and does not result in, a Material Adverse Effect and (D) reimbursement of all of Lender's reasonable out-of-pocket costs and expenses (including reasonable attorney's fees and disbursements) incurred in connection with such Transfer. Notwithstanding the foregoing, if the Loan is included in a REMIC Trust and, immediately following a release of a portion of the Lien of the Mortgage pursuant to this Section 7.2(b), if the ratio of the unpaid principal balance of the Loan to the value of the remaining Property is greater than one hundred twenty-five percent (125%) (such value to be determined by Lender by any commercially reasonable method permitted to a REMIC Trust, and which shall exclude the value of personal property and going concern value, if any), the Outstanding Principal Balance must be paid down by a "qualified amount" as that term is defined in IRS Revenue Procedure 2010-30, as the same may be amended, replaced, supplemented or modified from time to time, unless Lender receives an opinion of counsel that if such amount is not paid, the applicable Securitization will not fail to maintain its status as a REMIC Trust as a result of such release.

Notwithstanding anything to the contrary contained in this Section 7.2, if, as a result of any Permitted Transfer, Guarantor no longer either Controls or owns any direct or indirect interest in Borrower and is not under Common Control with a Person that Controls or owns a direct or indirect interest in Borrower, it shall also be a condition hereunder that one or more Approved Replacement Guarantors shall execute and deliver a guaranty of recourse obligations (in the same form as the Guaranty, but on a joint and several basis and containing a representation and covenant requiring that such Approved Replacement Guarantor maintains and will maintain collectively with all other Approved Replacement Guarantors and any Guarantors that are not released from their obligations under the Guaranty in connection with such Permitted Transfer, a Net Worth of not less than \$250,000,000) on or prior to the date of such Permitted Transfer, pursuant to which, in each case, the Approved Replacement Guarantor(s) agree(s) to be liable under each such guaranty of recourse obligations and environmental indemnity agreement from and after the date of such Permitted Transfer on a joint and several basis with the other Guarantors (whereupon the previous guarantor shall be released from any further liability under the guaranty of recourse obligations from acts that arise from and after the date of such Permitted Transfer and such Approved Replacement Guarantor(s) shall be the "Guarantor" for all purposes set forth in this Agreement).

Section 7.3. **Cost and Expenses; Searches; Copies.**

(a) Borrower shall pay all reasonable out-of-pocket costs and expenses of Lender in connection with any Transfer, whether or not such Transfer is deemed to be a Permitted Transfer, including, without limitation, all reasonable fees and expenses of Lender's counsel, and the cost of any required counsel opinions related to REMIC or other securitization or tax issues and any Rating Agency fees, if applicable.

(b) Borrower shall provide Lender with copies of all revised and/or new organizational documents (if any) relating to any Permitted Transfer (excluding Transfers of interests in Guarantor, VRT or VRLP) and provide an updated, certified organizational chart.

(c) In connection with any Permitted Transfer (excluding Transfers of

interests in Guarantor, VRT or VRLP), to the extent a transferee, together with its Affiliates, shall obtain Control of Borrower or own twenty percent (20%) or more of the direct or indirect ownership interests in Borrower immediately following such transfer (provided such transferee, together with its Affiliates, owned less than twenty percent (20%) of the direct or indirect ownership interests in Borrower as of the Closing Date), Borrower shall deliver (and Borrower shall be responsible for any reasonable out-of-pocket costs and expenses in connection therewith), customary searches reasonably requested by Lender in writing (such as, without limitation, credit, judgment, lien, litigation, bankruptcy, criminal and watch list) with respect to such transferee.

VIII.
DEFAULTS

Section 8.1. **Events of Default.** Each of the following events shall constitute an event of default hereunder (an “*Event of Default*”):

(i) if (A) the Obligations are not paid in full on the Maturity Date, (B) any regularly scheduled monthly payment of interest, and, if applicable, principal due under the Note is not paid in full on the applicable Monthly Payment Date, (C) any prepayment of principal due under this Agreement or the Note is not paid when due, except to the extent that aggregate sums are on deposit in the Clearing Account, Deposit Account and/or in the Cash Collateral Account sufficient to make any such payment and all other payments required to be made pursuant to clauses (i) and (ii), of Section 6.9.1 and Lender’s access to such sums is not restricted or constrained in any manner, or (D) the Spread Maintenance Premium is not paid when due;

(ii) if any amount payable pursuant to this Agreement, the Note or any other Loan Document (other than as set forth in the foregoing clause (i)) is not paid in full when due and payable in accordance with the provisions of the applicable Loan Document, with such failure continuing for ten (10) Business Days after Lender delivers written notice thereof to Borrower, except to the extent that either (x) sums sufficient to make such payments are on deposit in the Account established to hold funds for making such payment or (y) aggregate sums are on deposit in the Clearing Account, the Deposit Account and/or in the Cash Collateral Account sufficient to make such payment and all other payments required to be made in advance of such payment pursuant to Section 6.9.1 and, in either case, Lender’s access to such sums is not restricted or constrained in any manner;

(iii) subject to Borrower’s right to contest pursuant to the terms of this Agreement, if any of the Taxes or Other Charges are not paid when due, except to the extent that either (x) sums sufficient to make such payments are on deposit in the Tax Account or (y) aggregate sums are on deposit in the Clearing Account, the Deposit Account and/or in the Cash Collateral Account sufficient to make such payment and, in either case, Lender’s access to such sums is not restricted or constrained in any manner;

(iv) (x) if the Policies are not kept in full force and effect, except to the

extent that such Policies lapse due to the nonpayment of Insurance Premiums and either (a) sums sufficient to make such payments are on deposit in the Insurance Account or (b) aggregate sums are on deposit in the Clearing Account, the Deposit Account and/or in the Cash Collateral Account sufficient to make such payment and the other payments required to be made pursuant to clause (ii) of Section 6.9.1 and, in either case, Lender's access to such sums is not restricted or constrained in any manner; or (y) (A) if Lender has not received evidence of the insurance required hereunder being renewed at least three (3) Business Days prior to expiration of the Policies or (B) copies of the Policies (or other evidence of required insurance reasonably acceptable to Lender) are not delivered to Lender on or prior to the date the same are to be delivered hereunder and such failure specified in this clause (B) continues for ten (10) days following written notice from Lender to Borrower thereof;

(v) if, except as permitted under this Agreement (including all Permitted Transfers), a Transfer occurs;

(vi) if any representation or warranty made by Borrower or any Guarantor herein or in any other Loan Document, or in any report, certificate, financial statement or other instrument, agreement or document furnished to Lender shall have been false or misleading in any material adverse respect as of the date such representation or warranty was made; provided, however, that with respect to any such breach which is susceptible of being cured, such breach shall not be deemed an Event of Default hereunder unless and until it shall remain uncured for thirty (30) days after Borrower receives notice of such breach and, if such breach cannot reasonably be cured within such thirty (30) day period and Borrower commences to cure such breach within such thirty (30) day period and thereafter diligently and expeditiously proceeds to cure same, Borrower shall have such additional time as is reasonably necessary to cure such breach, but not in excess of sixty (60) days from the date the original notice from Lender was received by Borrower plus time necessary for Excusable Delay; provided that Borrower acknowledges and agrees that the representations and warranties set forth in Sections 3.1.4, 3.1.5 (the last sentence only), 3.1.7(d), 3.1.8, 3.1.10, 3.1.17, 3.1.19, 3.1.20, 3.1.23, 3.1.26, 3.1.31, 3.1.32(a), and 3.1.34 are not capable of being cured; provided, further, however, that in the case of a breach of Section 3.1.1, such breach shall not constitute an Event of Default in the event that such breach shall be remedied within a timely manner and in any event within not more than thirty (30) days of Lender's request and within thirty (30) days following the request of Lender, Borrower delivers to Lender a new non-consolidation opinion or an opinion of counsel to the effect that such breach does not impair, negate or adversely change the opinions rendered in the Insolvency Opinion, in each case, from the law firm that provided the Insolvency Opinion on the Closing Date (or its successor) or another nationally recognized law firm, in form and substance that in Lender's reasonable judgment satisfies the then-current criteria of the Rating Agencies;

(vii) if Borrower, or Guarantor shall make a general assignment for the benefit of creditors;

(viii) if a receiver, liquidator or trustee shall be appointed for Borrower, or Guarantor or if Borrower, or Guarantor shall be adjudicated a bankrupt or insolvent, or if any petition for bankruptcy, reorganization or arrangement pursuant to federal bankruptcy law, or any similar federal or state law, shall be filed by or against, consented to, or acquiesced in by, Borrower, or Guarantor, or if any proceeding for the dissolution or liquidation of Borrower, or Guarantor shall be instituted, or if Borrower is substantively consolidated with any other Person; provided, however, if such appointment, adjudication, petition, proceeding or consolidation was involuntary and not consented to by Borrower, or Guarantor, upon the same not being discharged, stayed or dismissed within ninety (90) days following its filing;

(ix) if Borrower attempts to assign its rights under this Agreement or any of the other Loan Documents or any interest herein or therein in contravention of the Loan Documents;

(x) if any of the assumptions contained in the Insolvency Opinion, or in any other non-consolidation opinion delivered to Lender in connection with the Loan, is or shall become untrue unless such matter is cured in a timely manner and in a manner that would not cause an impairment or a material negative or adverse change in the Insolvency Opinion or such other non-consolidation opinion so delivered; provided, however, that in the case of a breach pursuant to this Section 8.1(x), such breach shall not constitute an Event of Default in the event that such breach shall be remedied within a timely manner and in any event within not more than thirty (30) days of Lender's request and within thirty (30) days following the request of Lender, Borrower delivers to Lender a new non-consolidation opinion or an opinion of counsel to the effect that such breach does not impair, negate or adversely change in any material respect the opinions rendered in the Insolvency Opinion, in each case, from the law firm that provided the Insolvency Opinion on the Closing Date (or its successor) or another nationally recognized law firm, in form and substance that in Lender's reasonable judgment satisfies the then-current criteria of the Rating Agencies;

(xi) a breach of the covenants set forth in Sections 4.4, 4.23, or 4.31 hereof; provided, however, that in the case of a breach of Section 4.4, such breach shall not constitute an Event of Default in the event that such breach shall be remedied within a timely manner and in any event within not more than thirty (30) days of Lender's request and within thirty (30) days following the request of Lender, Borrower delivers to Lender a new non-consolidation opinion or an opinion of counsel to the effect that such breach does not impair, negate or adversely change in any material respect the opinions rendered in the Insolvency Opinion, in each case, from the law firm that provided the Insolvency Opinion on the Closing Date (or its successor) or another nationally recognized law firm, in form and substance that in Lender's reasonable judgment satisfies the then-current criteria of the Rating Agencies;

(xii) subject to Borrower's right to contest set forth in Section 4.3 of this Agreement, if the Property becomes subject to any mechanic's, materialman's or other Lien except a Permitted Encumbrance or a Lien for Taxes not then due and

payable and such liens are not discharged or bonded within sixty (60) days after Lender's written notice to Borrower;

(xiii) the alteration, improvement, demolition or removal of any of the Improvements without the prior consent of Lender, other than in accordance with this Agreement and the Leases at the Property entered into in accordance with the Loan Documents and such alteration, improvement, demolition or removal would be reasonably expected to or does have a Material Adverse Effect on Borrower's use or operation of the Property; provided, however, that with respect to any such breach which is susceptible of being cured, such breach shall not be deemed an Event of Default hereunder unless and until it shall remain uncured for thirty (30) days after Borrower receives notice of such breach and, if such breach cannot reasonably be cured within such thirty (30) day period and Borrower commences to cure such breach within such thirty (30) day period and thereafter diligently and expeditiously proceeds to cure same, Borrower shall have such additional time as is reasonably necessary to cure such breach, but not in excess of one hundred twenty (120) days from the date the original notice from Lender was received by Borrower plus time necessary for Excusable Delay;

(xiv) if (A) any Management Agreement is terminated and a Qualified Manager, or any other property manager reasonably approved by Lender, is not appointed as a replacement manager pursuant to the provisions of this Agreement within thirty (30) days following such termination, (B) Borrower has received notice that it is in material default under any Management Agreement and such default is not waived by Manager or cured by Borrower within sixty (60) days or (C) Borrower materially amends, modifies or otherwise changes without the prior written consent of Lender any Management Agreement in a manner materially adverse to Borrower and/or Lender such amendment is not revoked within ten (10) Business Days following notice from Lender to Borrower thereof;

(xv) if Borrower or any Person owning a direct or indirect ownership interest in Borrower (other than any holders of publicly traded stock, units or other securities) shall be convicted of a Patriot Act Offense by a court of competent jurisdiction and such conviction subjects Lender to action and/or liability by any Governmental Authority; provided, however, that with respect to any such breach which is susceptible of being cured, such breach shall not be deemed an Event of Default hereunder unless and until it shall remain uncured for ten (10) days after Borrower receives notice of such breach;

(xvi) if Borrower breaches any covenant contained in Section 4.9 hereof and fails to cure such breach within ten (10) days after Lender's written notice to Borrower;

(xvii) subject to Borrower's contest rights in the Condominium Documents, if any, if any of the Condominium Charges to be paid by Borrower pursuant to the Condominium Documents are not paid by Borrower when the same are due and payable (after the expiration of any applicable notice and grace periods under the Condominium Documents), except to the extent that either (x) sums sufficient to make such payments are on deposit in the Condominium

Account or (y) aggregate sums are on deposit in the Clearing Account, the Deposit Account and/or in the Cash Collateral Account sufficient to make such payment and, in either case, Lender's access to such sums is not restricted or constrained in any manner;

(xviii) (A) any material modification or amendment to any of the terms or provisions of the Condominium Documents, (B) the termination of the Condominium or the removal of any Unit from the Condominium, or (C) any partition of all or part of the Property subject to the Condominium Declaration, in each case, in violation of the terms of this Agreement, and, in the case of clause (A), such modification or amendment is not rescinded within ten (10) Business Days following written notice from Lender to Borrower;

(xix) if (A) any Bloomberg Lease is surrendered or terminated by Borrower, or (B) any of the terms, covenants or conditions of any Bloomberg Lease are materially amended or modified, in each case, in violation of Section 4.11 hereof, and, in the case of clause (B), such modification or amendment is not rescinded within ten (10) Business Days following written notice from Lender to Borrower;

(xx) if Borrower fails to obtain or maintain an Interest Rate Cap Agreement or replacement thereof in accordance with Section 2.6 and/or Section 2.7 hereof, provided that with respect to a failure under Section 2.6 only, no Event of Default shall occur under this Section 8.1(xx) unless such failure continues for five (5) Business Days after Lender delivers notice to Borrower thereof (it being agreed that such period shall not apply with respect to Borrower's delivery of a Replacement Interest Rate Cap Agreement in connection with the exercise of an Extension Option under Section 2.7); or

(xxi) if Borrower fails to comply with the second sentence of Section 5.4(c) within the time periods set forth therein; or

(xxii) if Borrower or Guarantor shall continue to be in Default under any of the other terms, covenants or conditions of this Agreement or any other Loan Document not specified in subsections (i) to (xxi) above, and such Default shall continue for ten (10) days after notice to Borrower from Lender, in the case of any such Default which can be cured by the payment of a sum of money, or for thirty (30) days after notice to Borrower from Lender, in the case of any such other Default; provided, however, that if such Default is susceptible of cure but cannot reasonably be cured within such thirty (30) day period and provided further that Borrower shall have commenced to cure such Default within such 30-day period shall and thereafter diligently and expeditiously proceed to cure the same, such thirty (30) day period shall be extended for such time as is reasonably necessary for Borrower in the exercise of due diligence to cure such Default, such additional period not to exceed ninety (90) days plus time necessary for Excusable Delay.

Section 8.2. **Remedies.**

8.2.1 **Acceleration.** Unless waived in writing by Lender, upon the occurrence

and during the continuance of an Event of Default (other than an Event of Default described in clauses (vi) or (vii) of Section 8.1 above), Lender may, in addition to any other rights or remedies available to it pursuant to this Agreement and the other Loan Documents or at law or in equity, take such action, without notice or demand (and Borrower hereby expressly waives any such notice or demand), that Lender deems advisable to protect and enforce its rights against Borrower and in and to the Property, including declaring the Obligations to be immediately due and payable, and Lender may enforce or avail itself of any or all rights or remedies provided in the Loan Documents against Borrower and the Property, including all rights or remedies available at law or in equity; and upon any Event of Default described in clauses (vi) or (vii) of Section 8.1 above, the Obligations of Borrower hereunder and under the other Loan Documents shall immediately and automatically become due and payable in full, without notice or demand, and Borrower hereby expressly waives any such notice or demand, anything contained herein or in any other Loan Document to the contrary notwithstanding.

8.2.2 Remedies Cumulative. Unless waived in writing by Lender, upon the occurrence and during the continuance of an Event of Default, all or any one or more of the rights, powers, privileges and other remedies available to Lender against Borrower under this Agreement or any of the other Loan Documents executed and delivered by, or applicable to, Borrower or at law or in equity may be exercised by Lender at any time and from time to time, whether or not all or any of the Obligations shall be declared due and payable, and whether or not Lender shall have commenced any foreclosure proceeding or other action for the enforcement of its rights and remedies under any of the Loan Documents with respect to the Property. The rights, powers and remedies of Lender under this Agreement shall be cumulative and not exclusive of any other right, power or remedy which Lender may have against Borrower pursuant to this Agreement or the other Loan Documents, or existing at law or in equity or otherwise. Lender's rights, powers and remedies may be pursued independently, singly, successively, together or otherwise, at such time and in such order as Lender may determine in its sole discretion, to the fullest extent permitted by law, without impairing or otherwise affecting the other rights and remedies of Lender permitted by law, equity or contract or as set forth herein or in the other Loan Documents. Without limiting the generality of the foregoing, if an Event of Default is continuing (i) Lender shall not be subject to any "one action" or "election of remedies" law or rule, and (ii) all Liens and other rights, remedies or privileges provided to Lender shall remain in full force and effect until Lender has exhausted all of its remedies against the Property and the Mortgage has been foreclosed, sold and/or otherwise realized upon in satisfaction of the Obligations or the Obligations have been paid in full. No delay or omission to exercise any remedy, right or power accruing upon an Event of Default shall impair any such remedy, right or power or shall be construed as a waiver thereof, but any such remedy, right or power may be exercised from time to time and as often as may be deemed expedient. A waiver of one Default or Event of Default with respect to Borrower shall not be construed to be a waiver of any subsequent Default or Event of Default by Borrower or to impair any remedy, right or power consequent thereon. In addition to the covenants contained in Section 4.29(a)(v), during the continuance of an Event of Default, Borrower shall pay for all reasonable out-of-pocket costs and expenses (including reasonable attorneys' fees and disbursements) incurred by Lender in connection with inspections and appraisals.

8.2.3 Severance.

- (a) Upon the occurrence and during the continuance of an Event of Default,

Lender shall have the right from time to time to partially foreclose the Mortgage in any manner and for any amounts secured by the Mortgage then due and payable as determined by Lender in its sole discretion, including the following circumstances: (i) in the event Borrower defaults beyond any applicable grace period in the payment of one or more scheduled payments of principal and interest, Lender may foreclose the Mortgage to recover such delinquent payments, or (ii) in the event Lender elects to accelerate less than the entire Outstanding Principal Balance, Lender may foreclose the Mortgage to recover so much of the principal balance of the Loan as Lender may accelerate and such other sums secured by the Mortgage as Lender may elect, provided, that any Spread Maintenance Premium incurred as a result of such acceleration shall only be due with respect to the portion of the Outstanding Principal Balance of the Loan as has been accelerated. Notwithstanding one or more partial foreclosures, the Property shall remain subject to the Mortgage to secure payment of the sums secured by the Mortgage and not previously recovered.

(b) Upon the occurrence and during the continuance of an Event of Default, Lender shall have the right from time to time to sever the Note and the other Loan Documents into one or more separate notes, mortgages and other security documents (the "**Severed Loan Documents**") in such denominations as Lender shall determine in its sole discretion for purposes of evidencing and enforcing its rights and remedies provided hereunder. Borrower shall execute and deliver to Lender from time to time, promptly after the request of Lender, a severance agreement and such other documents as Lender shall request in order to effect the severance described in the preceding sentence, all in form and substance reasonably satisfactory to Lender, provided that no such agreement shall increase Borrower's obligations or decrease Borrower's rights under the Loan Documents. Borrower hereby absolutely and irrevocably appoints Lender as its true and lawful attorney, coupled with an interest, in its name and stead to make and execute such severance agreement to effect the aforesaid severance, Borrower ratifying all that its said attorney shall do by virtue thereof; provided, however, Lender shall not make or execute any such severance agreement under such power until five (5) Business Days after notice has been given to Borrower by Lender of Lender's intent to exercise its rights under such power.

(c) Any amounts recovered from the Property or any other collateral for the Loan following the acceleration of the Loan upon an Event of Default or an Event of Default arising as a result of the failure to pay the Obligations in full on the Maturity Date may be applied by Lender toward the payment of any interest and/or principal of the Loan and/or any other amounts due under the Loan Documents, in such order, priority and proportions as Lender in its sole discretion shall determine.

8.2.4 **Lender's Right to Perform.** Upon the occurrence and during the continuance of an Event of Default only, if Borrower fails to perform any covenant or obligation contained herein and such failure shall continue for a period of ten (10) Business Days after Borrower's receipt of written notice thereof from Lender, without in any way limiting Lender's right to exercise any of its rights, powers or remedies as provided hereunder, or under any of the other Loan Documents, Lender may, but shall have no obligation to, perform, or cause the performance of, such covenant or obligation, and all costs, expenses, liabilities, penalties and fines of Lender incurred or paid in connection therewith shall be payable by Borrower to Lender upon demand and if not paid shall be added to the Obligations (and to the extent permitted under applicable laws, secured by the Mortgage and the other Loan Documents) and shall bear interest thereafter at the Default Rate. Notwithstanding the foregoing, Lender shall have no obligation to

send notice to Borrower of any such failure except as otherwise expressly provided for herein, but such notice shall be a precondition to Lender exercising the rights set forth in the immediately preceding sentence.

IX.

SALE AND SECURITIZATION OF MORTGAGE

Section 9.1. **Sale of Mortgage and Securitization.** Subject to Section 9.4 hereof:

(a) Lender shall have the right without notice to or consent from Borrower or any other Person (i) to sell or otherwise transfer the Loan or any portion thereof as a whole loan, (ii) to sell participation interests in the Loan, (iii) to securitize the Loan or any portion thereof in a single asset securitization or a pooled loan securitization and (iv) to otherwise assign, participate, assign or transfer the Loan, the Note, the Loan Documents and/or Lender's rights, title, obligations and interests therein to any Person at any time in its sole and absolute discretion, in whole or in part, whether by operation of law (pursuant to a merger or other successor in interest) or otherwise, but subject to the terms set forth in that certain letter agreement between Lender and Borrower dated as of the date hereof. Upon such assignment, all references to Lender in this Agreement and in any Loan Document shall be deemed to refer to such assignee or successor in interest and such assignee or successor in interest shall thereafter stand in the place of Lender in all respects. The transactions referred to in clauses (i), (ii), (iii) and (iv) are each hereinafter referred to as a "**Secondary Market Transactions**" and the transactions referred to in clause (iii) shall hereinafter be referred to as a "**Securitization**". Any certificates, notes or other securities or similar instruments issued in connection with a Secondary Market Transaction are hereinafter referred to as "**Securities**". At Lender's election, each note and/or component comprising the Loan may be subject to one or more Secondary Market Transactions.

(b) If reasonably requested by Lender, Borrower shall (at no cost or expense to Borrower, except to the extent otherwise expressly provided for in Section 9.4) assist Lender in satisfying the market standards to which Lender customarily adheres or which may be reasonably required in the marketplace, by prospective investors, the Rating Agencies and/or by applicable Legal Requirements in connection with any Secondary Market Transactions, including to:

(i) (A) provide reasonably requested, non-confidential financial and other information (other than projections) with respect to the Property, the business operated at the Property, Borrower and the Manager, including, without limitation, the information set forth on Exhibit B attached hereto, in each case, to the extent reasonably available to Borrower or Manager, (B) provide budgets and rent rolls relating to the Property (including itemized percentage of floor area occupied and percentage of aggregate base rent for each Tenant), (C) provide such financial information and statements as are required pursuant to this Section 9.1(b)(i) (the information described in clauses (A) through (C), the "**Provided Information**") and (D) cooperate with Lender in obtaining updated appraisals, market studies, environmental reviews and reports (Phase I's and, if appropriate, Phase IIs), property condition reports and other due diligence investigations of the Property, subject to Borrower's reasonable and customary safety requirements

and the rights of Tenants under Leases;

(ii) use commercially reasonable efforts to provide customary updates or customary modifications to the opinions of counsel provided by Borrower at Closing, as may be reasonably requested by Lender in order to effect the related Securitization, including without limitation updates or modifications requested by or for the benefit of the Rating Agencies, underwriters, placement agents, the trustee or other customary Securitization parties (it being agreed that in no event shall Borrower be obligated to deliver an opinion of counsel with respect to “true sale”, “fraudulent conveyance” or “10b-5” matters); and

(iii) provide updated, as of the closing date of any Secondary Market Transaction, representations and warranties made in the Loan Documents and such additional representations and warranties as the Rating Agencies may require (which, in each case, may be given subject to any additional exceptions thereto) and execute such amendments to the Loan Documents as may be reasonably requested by Lender in order to effect the related Securitization, provided that nothing in such amendments shall result in any economic or other change that is adverse in any respect to Borrower, Guarantor or any Affiliate thereof or result in any operational changes that are burdensome to Borrower or the Property in any material respect.

(c) If, at the time a Disclosure Document is being prepared for a Securitization, Lender reasonably expects that Borrower alone or Borrower and one or more Affiliates of Borrower, collectively, or the Property alone or the Property and Related Properties collectively, will be a Significant Obligor, Borrower shall furnish to Lender upon reasonable request the following financial information, in each case, to the extent reasonably available to Borrower or Manager:

(i) if Lender reasonably expects that the principal amount of the Loan together with any Related Loans, as of the cut-off date for such Securitization, may equal or exceed ten percent (10%) (but less than twenty percent (20%)) of the aggregate principal amount of all mortgage loans included or expected to be included in the Securitization, net operating income for the Property and the Related Properties as required under Item 1112(b)(1) of Regulation AB (it being understood that such information shall be deemed “required” whether or not the Securities are being offered in a registered offering), or

(ii) if Lender reasonably expects that the principal amount of the Loan together with any Related Loans, as of the cut-off date for such Securitization, may equal or exceed twenty percent (20%) of the aggregate principal amount of all mortgage loans included or expected to be included in the Securitization, the financial statements required under Item 1112(b)(2) of Regulation AB (it being understood that such information shall be deemed “required” whether or not the Securities are being offered in a registered offering).

(d) In the event all or a portion of the Loan is included in a securitization involving a registered public offering of Securities pursuant to the Securities Act (a “**Public Securitization**”), and if Lender determines that Borrower alone or Borrower and one or more

Affiliates of Borrower collectively, or the Property alone or the Property and Related Properties collectively, are a Significant Obligor, then Borrower shall furnish to Lender, on an ongoing basis, selected financial data or financial statements meeting the requirements of Item 1112(b)(1) or (2) of Regulation AB, as specified by Lender, but only for so long as such entity or entities are a Significant Obligor and either (x) filings pursuant to the Exchange Act in connection with or relating to the Securitization (an "*Exchange Act Filing*") are required to be made under applicable Legal Requirements or (y) comparable information is required to otherwise be "available" to holders of the Securities under Regulation AB or applicable Legal Requirements.

(e) Any financial data or financial statements provided pursuant to this Section 9.1 shall be furnished to Lender within the following time periods:

(i) with respect to information requested in connection with the preparation of Disclosure Documents for a Securitization, as promptly as reasonably practicable following notice from Lender; and

(ii) with respect to ongoing information required under Section 9.1(d), above, (1) not later than forty-one (41) days after the end of each calendar quarter of Borrower and (2) not later than eighty-five (85) days after the end of each fiscal year of Borrower.

Any reasonable incremental costs and expenses incurred by Borrower in connection with the delivery to Lender of any financial data or financial statements within the time periods set forth in Section 9.1(e)(ii) rather than the time periods provided in Section 4.9 and/or in the form required pursuant to Section 9.1(d) rather than in the form required in Section 4.9, shall be paid by Lender.

(f) If requested by Lender, Borrower shall provide Lender, as promptly as reasonably practicable following Lender's request therefor, and in any event, within the time periods required to comply with Regulation AB or other Legal Requirements relating to a Securitization (but no earlier than three (3) Business Days following notice from Lender) with any other or additional financial statements, or financial, statistical or operating information, as Lender shall reasonably determine to be required pursuant to Regulation AB, or any amendment, modification or replacement thereto or other Legal Requirements relating to a Securitization or as shall otherwise be reasonably requested by the Lender.

(g) All financial statements provided by Borrower pursuant to this Section 9.1 shall be prepared in accordance with GAAP, and shall meet the requirements of Regulation S-K or Regulation S-X, as applicable, Regulation AB, and other applicable Legal Requirements. All annual financial statements shall be audited by Independent Accountants in accordance with GAAP, Regulation S-X or Regulation S-K, as applicable, Regulation AB, and all other applicable Legal Requirements and shall be accompanied by a manually executed written consent of the Independent Accountants, in form and substance reasonably acceptable to Lender and the Independent Accountants, to the inclusion of such financial statements in any Disclosure Document and any Exchange Act Filing and to the use of the name of such Independent Accountants and the reference to such Independent Accountants as "experts" in any Disclosure Document and Exchange Act Filing (or comparable information is required to otherwise be available to holders of the Securities under Regulation AB or applicable Legal Requirements), all of which shall be provided at the same time as the related financial statements are required to be

provided. All other data and financial statements provided by Borrower pursuant to this Section 9.1 shall be accompanied by an Officers Certificate of Borrower stating that such financial statements meet the requirements set forth in the first sentence of this Section 9.1(g).

Section 9.2. Securitization Indemnification.

(a) Borrower understands that certain of the Provided Information may be included in preliminary and final disclosure documents in connection with any Secondary Market Transaction, including a Securitization, including an offering circular, a prospectus, prospectus supplement, private placement memorandum or other offering document (each, a "**Disclosure Document**") and may also be included in filings with the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended (the "**Securities Act**"), or the Securities and Exchange Act of 1934, as amended (the "**Exchange Act**"), and may be made available to investors or prospective investors in the Securities, investment banking firms, NRSROs, accounting firms, law firms and other third-party advisory and service providers relating to any Secondary Market Transaction, including a Securitization. Borrower also understands that the findings and conclusions of any third-party due diligence report obtained by the Lender, the Issuer or the Securitization placement agent or underwriter may be made publicly available if required, and in the manner prescribed, by Section 15E(s)(4)(A) of the Exchange Act and any rules promulgated thereunder.

(b) In connection with each of (x) a preliminary and final private placement memorandum, or (y) a preliminary and final prospectus, as applicable, Borrower agrees to provide, at Lender's reasonable request, an indemnification certificate (at no cost to Borrower except as provided in Section 9.4):

(i) certifying that Borrower has carefully examined those portions of such memorandum or prospectus, as applicable, reasonably designated in writing by Lender for Borrower's review pertaining to Borrower, Manager, the Property and/or the Provided Information and insofar as such sections or portions thereof specifically pertain to Borrower, Guarantor, Manager, the Property or the Provided Information (such portions, the "**Relevant Portions**"), the Relevant Portions do not (except to the extent specified by Borrower if Borrower does not agree with the statements therein), as of the date of such certificate, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

(ii) indemnifying Lender (and for purposes of this Section 9.2, Lender shall include the initial lender, its successors and assigns, and their respective officers and directors) and each Person who controls the Lender within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (collectively, the "**Lender Group**"), the issuer of the Securities (the "**Issuer**" and for purposes of this Section 9.2, Issuer shall include its officers, directors and each Person who controls the Issuer within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act), and any placement agent or underwriter with respect to the Securitization, each of their respective officers and directors and each Person who controls the placement agent or underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act

(collectively, the "**Underwriter Group**") for any actual out-of-pocket losses, third-party claims, damages or liabilities arising out of third party claims (excluding lost profits, diminution in value and other consequential damages, collectively, the "**Liabilities**") to which Lender, the Underwriter Group, the Lender Group or the Issuer may become subject insofar as the Liabilities arise out of, or are based upon, (A) any untrue statement or alleged untrue statement of any material fact contained in the Relevant Portions or in the Provided Information provided to Lender by Borrower and its agents, counsel and representatives, except to the extent that such untrue statement is subsequently superseded or corrected prior to its inclusion in the Disclosure Document or (B) the omission or alleged omission to state in the Relevant Portion, a material fact required to be stated in such Relevant Portion or necessary in order to make the statements in such information, in light of the circumstances under which they were made, not misleading. Borrower also agrees to reimburse Lender, the Lender Group, the Issuer and/or the Underwriter Group for any legal or other out-of-pocket expenses reasonably incurred by Lender, the Lender Group, the Issuer and/or the Underwriter Group in connection with investigating or defending the Liabilities. Borrower's liability under this Section 9.2(b)(ii) will be limited to Liability that arises out of, or is based upon, an untrue statement or omission made in reasonable reliance upon, and in conformity with, information furnished to Lender by or on behalf of Borrower in connection with the preparation of the Disclosure Document or in connection with the Relevant Portions or the Provided Information and shall not include any Liability that arises out of the willful misconduct, gross negligence or fraud of the indemnified party. This indemnification provision will be in addition to any liability which Borrower may otherwise have.

(c) Borrower shall indemnify the Lender, the Underwriter Group, the Lender Group, and the Issuer for Liabilities to which any such indemnified party may become subject insofar as the Liabilities are in connection with any indemnification to the Rating Agencies in connection with the issuing, monitoring or maintaining ratings on the Securities insofar as the liabilities arise out of or are based upon any untrue statement of any material fact in any information provided by Borrower or Borrower's agents or representatives (but expressly excluding Lender and its agents and representatives) to the Rating Agencies (the "**Covered Rating Agency Information**") or arise out of or are based upon the omission to state a material fact in the Covered Rating Agency Information required to be stated therein or necessary in order to make the statements in the Covered Rating Agency Information, in light of the circumstances under which they were made, not misleading. Notwithstanding anything to the contrary contained herein, (i) Borrower shall not be responsible for any Liabilities relating to untrue statements or omissions in any Covered Rating Agency Information which Borrower provided notice to Lender in writing prior to the pricing of any Securities; and (ii) Borrower shall not be liable for any misstatements or omissions in the Covered Rating Agency Information resulting from Lender's failure to accurately transcribe written information by or on behalf of Borrower to Lender unless Borrower was provided a reasonable opportunity to review such Covered Rating Agency Information (or the applicable portions thereof) and failed to notify Lender of such misstatements or omissions.

(d) Promptly after receipt by an indemnified party under this Section 9.2 of

notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 9.2, notify the indemnifying party in writing of the commencement thereof, but the omission to so notify the indemnifying party will not relieve the indemnifying party from any liability which the indemnifying party may have to any indemnified party hereunder except to the extent that failure to notify causes prejudice to the indemnifying party. In the event that any action is brought against any indemnified party, and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled, jointly with any other indemnifying party, to participate therein and, to the extent that it (or they) may elect by written notice delivered to the indemnified party promptly after receiving the aforesaid notice from such indemnified party, to assume the defense thereof with counsel reasonably satisfactory to such indemnified party. After notice from the indemnifying party to such indemnified party under this Section 9.2 of its assumption of such defense, the indemnifying party shall not be liable for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof; provided, however, if the defendants in any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there are any legal defenses available to it and/or other indemnified parties that are different from or in conflict with those available to the indemnifying party, the indemnified party or parties shall have the right to select separate counsel to assert such legal defenses available to it that are different from or additional to those available to the indemnifying party. Without the prior written consent of Lender (which consent shall not be unreasonably withheld or delayed), no indemnifying party shall settle or compromise or consent to the entry of any judgment in any pending or threatened claim, action, suit or proceeding in respect of which indemnification may be sought hereunder (whether or not any indemnified party is an actual or potential party to such claim, action, suit or proceeding) unless the indemnifying party shall have given Lender reasonable prior written notice thereof and shall have obtained an unconditional release of each indemnified party hereunder from all liability arising out of such claim, action, suit or proceedings with no admission of fault by or on behalf of any indemnified party.

(e) In order to provide for just and equitable contribution in circumstances in which the indemnity provided for in Section 9.2(b) or (c), is for any reason held to be unenforceable as to an indemnified party in respect of any Liabilities (or action in respect thereof) referred to therein which would otherwise be indemnifiable under Section 9.2(b) or (c), the indemnifying party shall contribute to the amount paid or payable by the indemnified party as a result of such Liabilities (or action in respect thereof); provided, however, that no Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. In determining the amount of contribution to which the respective parties are entitled, the following factors shall be considered: (i) the indemnified party's and Borrower's relative knowledge and access to information concerning the matter with respect to which the claim was asserted; (ii) the opportunity to correct and prevent any statement or omission; (iii) the limited responsibilities and obligations of Borrower as specified herein; and (iv) any other equitable considerations appropriate in the circumstances. Lender and Borrower hereby agree that it would not be equitable if the amount of such contribution were determined by pro rata or per capita allocation.

(f) The liabilities and obligations of both Borrower and Lender under this Section 9.2 shall survive the termination of this Agreement and the satisfaction and discharge of

the Debt.

Section 9.3. **Severance.** Subject to Section 9.4 hereof:

9.3.1 **Severance Documentation.** Lender, without in any way limiting Lender's other rights hereunder but subject to the other provisions of this Section 9.3.1, in its sole and absolute discretion, shall have the right, at any time, by written notice to Borrower (a "**Componentization Notice**"), to require Borrower (at no cost to Borrower, except as expressly set forth in Section 9.4) to execute and deliver "component" notes and/or modify the Loan in order to create one or more senior and subordinate notes (i.e., an A/B or A/B/C structure) and/or one or more additional components of the Note or Notes ("**Note Components**"), reduce the number of Note Components, revise the interest rate for each Note Component, reallocate the principal balances of the Notes and/or the Note Components, increase or decrease the monthly debt service payments for each Note Component or eliminate the component structure and/or the multiple note structure of the Loan (including the elimination of the related allocations of principal and interest payments), provided that (a) the Outstanding Principal Balance of all components immediately after the effective date of such modification equals the Outstanding Principal Balance immediately prior to such modification, (b) the weighted average of the interest rates for all components at all times from and after the effective date of such modification (including after the occurrence of an Event of Default and as the result of an application of Net Proceeds pursuant to Section 2.4.3) shall equal the interest rate of the original Note immediately prior to such modification and (c) the other terms and provisions of each of the component notes shall be identical in substance to the terms and provisions of the Loan Documents. Borrower shall be treated as the obligor with respect to each of the Note Components, and Borrower acknowledges that each Note Component may be individually beneficially owned by a separate Person. The Note Components need not be represented by separate physical Notes, but if requested by Lender, each Note Component shall be represented by a separate physical Note, in which case Borrower shall execute and return to Lender each such Note promptly following Borrower's receipt of an execution copy thereof. Prepayments of principal on the Loan, including as a result of an Event of Default or an application of Net Proceeds pursuant to Section 2.4.3 of this Agreement, may not increase the weighted average interest rate of the Note Components. Notwithstanding the foregoing, in no event shall Lender be entitled to restructure the Loan in a manner that creates any mezzanine loans.

9.3.2 **Reserved.**

9.3.3 **Cooperation; Execution; Delivery.** Borrower shall reasonably cooperate with all reasonable requests of Lender in connection with Section 9.3.1. If reasonably requested by Lender, Borrower shall execute and deliver such documents as shall be required by Lender and any Rating Agency in connection with any modification pursuant to Section 9.3.1, all in form and substance reasonably satisfactory to Lender and satisfactory to any applicable Rating Agency rating Securities secured by the Loans in connection with a Securitization, including the severance of security documents if requested. It shall be an Event of Default under this Agreement, the Note, the Mortgage and the other Loan Documents if Borrower fails to comply with any of the terms, covenants or conditions of this Section 9.3 after expiration of ten (10) Business Days after Borrower's receipt of notice thereof, together with copies of all documents to be executed and comparison "blacklines" of such documents against the applicable documents executed by Borrower as of the Closing Date.

Section 9.4. **Costs and Expenses.** Notwithstanding anything to the contrary contained in this Article IX, Borrower shall not be required to incur any taxes, reserves, adjustments or other costs or expenses in the performance of its obligations under this Article IX (excluding the indemnity obligations set forth in Section 9.2) in excess of \$25,000. Lender agrees that it shall promptly reimburse Borrower for any such actual out-of-pocket taxes, reserves, adjustments, reasonable costs and reasonable expenses incurred by Borrower in excess of such amount, except that Borrower and Guarantor shall pay their own respective legal costs and expenses.

X.

MISCELLANEOUS

Section 10.1. **Exculpation.** Subject to the qualifications below, Lender shall not enforce the liability and obligation of Borrower to perform and observe the Obligations contained in the Note, this Agreement, the Mortgage or the other Loan Documents by any action or proceeding wherein a money judgment or any deficiency judgment or other judgment establishing personal liability shall be sought against Borrower or any Affiliate of Borrower or any legal representatives, successors or assigns of Borrower or its Affiliate or any principals, directors, officers, employees, beneficiaries, shareholders, partners, members, trustees, agents, or Affiliates of any of the foregoing (collectively, but specifically excluding Guarantor to the extent of Guarantor's liability under the Guaranty, any Alteration Deficiency Guaranty or any other guaranty provided in connection with the Loan, the "***Exculpated Parties***"), except that Lender may bring a foreclosure action, an action for specific performance or any other appropriate action or proceeding to enable Lender to enforce and realize upon its interest under the Note, this Agreement, the Mortgage and the other Loan Documents, or in the Property, the Rents or any other collateral given to Lender pursuant to the Loan Documents; provided, however, that, except as specifically provided herein, any judgment in any such action or proceeding shall be enforceable against Borrower only to the extent of Borrower's interest in the Property, in the Rents and in any other collateral given to Lender, and Lender, by accepting the Note, this Agreement, the Mortgage and the other Loan Documents, shall not sue for, seek or demand any deficiency judgment against any Exculpated Party in any such action or proceeding under or by reason of or under or in connection with the Note, this Agreement, the Mortgage or the other Loan Documents. The provisions of this Section 10.1 shall not, however, (a) constitute a waiver, release or impairment of any obligation evidenced or secured by any of the Loan Documents; (b) impair the right of Lender to name Borrower as a party defendant in any action or suit for foreclosure and sale under the Mortgage; (c) affect the validity or enforceability of any of the Loan Documents, the Guaranty or any other guaranty made in connection with the Loan or any of the rights and remedies of Lender thereunder; (d) impair the right of Lender to obtain the appointment of a receiver; (e) impair the enforcement of the Assignment of Leases; (f) impair the enforcement of the Environmental Indemnity; (g) constitute a prohibition against Lender to seek a deficiency judgment against Borrower in order to fully realize the security granted by the Mortgage or to commence any other appropriate action or proceeding in order for Lender to exercise its remedies against the Property; or (h) constitute a waiver of the right of Lender to enforce the liability and obligation of Borrower, by money judgment or otherwise, to the extent of any loss, damage, cost, expense, liability, claim or other obligation reasonably incurred by Lender (including out-of-pocket attorneys' fees and costs reasonably incurred but excluding any consequential, special or punitive damages) arising out of or in connection with the following

(all such liability and obligation of Borrower for any or all of the following being referred to herein as “*Borrower’s Recourse Liabilities*”):

- (i) fraudulent acts, willful misconduct or material intentional misrepresentation by Borrower or any Borrower Affiliate in connection with the Loan;
- (ii) the breach by Borrower of any representation, warranty, covenant or indemnification provision in the Environmental Indemnity;
- (iii) the intentional misappropriation by Borrower of any Reserve Funds disbursed to Borrower, or any intentional failure to deposit rents into the Clearing Account to the extent in the control of Borrower, unless such rents are otherwise delivered to Lender;
- (iv) any intentional (other than, in each case, as part of or to facilitate any alteration that is permitted hereunder) material physical waste of the Property by Borrower or any Borrower Affiliate, or any intentional wrongful removal or destruction of a material portion of the Property or damage to a material portion of the Property caused by willful misconduct or gross negligence of Borrower or any Borrower Affiliate;
- (v) the commission of any criminal act by Borrower or any Borrower Affiliate which results in the forfeiture of the Property;
- (vi) the intentional misappropriation by Borrower or any Borrower Affiliate of (A) any Insurance Proceeds actually received by Borrower or any Borrower Affiliate or (B) any Awards or other amounts received in connection with the Condemnation of all or a portion of the Property actually received by Borrower or any Borrower Affiliate;
- (vii) after the occurrence and during the continuance of an Event of Default, the intentional misappropriation by Borrower or any Borrower Affiliate of any Rents in violation of the Loan Documents;
- (viii) all or any material portion of the Property being encumbered by a Lien voluntarily granted by Borrower (i.e., not arising by operation of law) in violation of the Loan Documents, or Borrower’s failure to pay any charges (including, without limitation, charges for labor and materials) that create Liens on the Property, regardless of whether arising by operation of law, to the extent cash flow from the Property is sufficient to make such payments and, during a Trigger Period, funds are made available to Borrower for payment of such charges;
- (ix) Borrower’s failure to pay Taxes or transfer taxes, maintain required Policies, pay insurance premiums for such Policies, or pay any Condominium Charges to the extent cash flow from the Property is sufficient to make such payments and all other payments required of Borrower and, during a Trigger Period, funds are made available to Borrower to make such payments;

(x) the voluntary incurrence by Borrower of any Indebtedness for borrowed money in violation of the provisions of this Agreement or any other Loan Document (other than Permitted Encumbrances);

(xi) the failure by Borrower to deliver to Lender any security deposits, advance deposits or any other deposits collected with respect to the Property upon a foreclosure by Lender under the Loan Documents, unless previously applied (except to the extent that such deposits were applied in accordance with the applicable lease or other governing document or Borrower did not have the legal right, because of a bankruptcy, receivership or similar judicial proceeding, to direct disbursement of such deposits);

(xii) the termination of the Condominium or the removal of any Unit from the Condominium, in each case, in violation of the terms of this Agreement, which was voted for or consented to or approved by Borrower (or the members of the Condominium Board appointed by Borrower); and/or

(xiii) (i) the failure by Borrower, any Borrower Affiliate and/or any other owner of the Upper Option Space and/or the Lower Option Space (as defined in the Original Bloomberg Lease) (other than Lender or any Affiliate of Lender) to comply with the terms of Section 36 of the Original Bloomberg Lease (an "**Expansion Space Default**"), (ii) the exercise of any rights that the Tenant under the Original Bloomberg Lease may have as a result of an Expansion Space Default (whether pursuant to the Original Bloomberg Lease, at law or in equity), including, without limitation, any rights to set off any payments required under the Original Bloomberg Lease and/or (iii) paying any amount or performing any obligation with respect to the Upper Option Space and/or the Lower Option Space after the occurrence of an Expansion Space Default.

Notwithstanding anything to the contrary in this Agreement or any of the other Loan Documents, (A) Lender shall not be deemed to have waived any right which Lender may have under Section 506(a), 506(b), 1111(b) or any other provisions of the Bankruptcy Code to file a claim for the full amount of the Obligations or to require that all collateral shall continue to secure all of the Obligations owing to Lender in accordance with the Loan Documents, and (B) the Obligations shall be fully recourse to Borrower in the event that any of the following occur (each, a "**Springing Recourse Event**"): (i) a breach of the covenants set forth in Schedule V hereof (other than those single purpose entity covenants that relate to solvency or adequacy of capital) or a breach of any of the certifications set forth in the "Recycled Entity Certificate", in each case, that results in a substantive consolidation of the assets and liabilities of Borrower with any other Person in connection with a proceeding under the Bankruptcy Code or under federal, state or foreign insolvency law (other than on motion or pleading seeking a substantive consolidation brought or actively supported by Lender); (ii) Borrower or any Borrower Affiliate, officer, director or representative which Controls Borrower consents to or files a voluntary petition with respect to Borrower under the Bankruptcy Code or any other Federal or state bankruptcy or insolvency law; (iii) Borrower files an application for the appointment of a receiver, trustee or examiner for Borrower or any portion of the Property, except at the request of or with the consent of Lender, (iv) the filing of an involuntary petition against Borrower under the Bankruptcy Code or any other Federal or state bankruptcy or insolvency law by any other Person in which Borrower or a Borrower Affiliate that directly or indirectly Controls Borrower colludes

with and/or Borrower or a Borrower Affiliate that directly or indirectly Controls Borrower solicits or causes to be solicited petitioning creditors for any involuntary petition against Borrower by any Person; (v) Borrower files an answer consenting to, or joining in, any involuntary petition filed against it by any other Person under the Bankruptcy Code or any other Federal or state bankruptcy or insolvency law; (vi) Borrower makes an assignment for the benefit of creditors or admits, in writing or in any legal proceeding, its insolvency or inability to pay its debts as they become due, which admission is used as evidence of Borrower's insolvency in connection with an involuntary petition under the Bankruptcy Code or any other Federal or state bankruptcy or insolvency law by a Person other than Lender (except for (A) any admissions that Borrower believes in good faith are truthful when made and (B) any such admission to Lender or any servicer of the Loan that Borrower cannot pay its operating expenses (including Debt Service payments due in respect of the Loan) or that Borrower cannot refinance the Loan on the Maturity Date); or (vii) there is a voluntary Transfer of all or any material portion of the Property or any direct or indirect interest therein or any Transfer of any direct or indirect interest in Borrower, in either case, in violation of the Loan Documents.

Section 10.2. **Survival; Successors and Assigns.** This Agreement and all covenants, agreements, representations and warranties made herein and in the certificates delivered pursuant hereto shall survive the making by Lender of the Loan and the execution and delivery to Lender of the Note, and shall continue in full force and effect so long as all or any of the Obligations are outstanding and unpaid unless a longer period is expressly set forth herein or in the other Loan Documents. Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party. All covenants, promises and agreements in this Agreement, by or on behalf of Borrower, shall inure to the benefit of the legal successors and assigns of Lender.

Section 10.3. **Lender's Discretion; Rating Agency Review Waiver.**

(a) Whenever pursuant to this Agreement Lender exercises any right given to it to approve or disapprove any matter, or any arrangement or term is to be satisfactory to Lender the decision of Lender to approve or disapprove such matter or to decide whether arrangements or terms are satisfactory or not satisfactory shall (except as is otherwise specifically herein provided) be in the reasonable discretion of Lender and shall be final and conclusive. Prior to all or any portion of the Loan being included in a Securitization, whenever pursuant to this Agreement the Rating Agencies are given any right to approve or disapprove any matter, or any arrangement or term is to be satisfactory to the Rating Agencies, the decision of Lender to approve or disapprove such matter or to decide whether arrangements or terms are satisfactory or not satisfactory, based upon Lender's determination of Rating Agency criteria, shall be substituted therefor.

(b) Whenever, pursuant to this Agreement or any other Loan Documents, a Rating Agency Confirmation is required from each applicable Rating Agency, in the event that any applicable Rating Agency "declines review", "waives review" or otherwise indicates in writing that no Rating Agency Confirmation will or needs to be issued with respect to the matter in question (each, a "**Review Waiver**"), then the Rating Agency Confirmation requirement shall be deemed to be satisfied with respect to such matter. It is expressly agreed and understood, however, that receipt of a Review Waiver (i) from any one Rating Agency shall not be binding or apply with respect to any other Rating Agency and (ii) with respect to one matter shall not apply or be deemed to apply to any subsequent matter for which Rating Agency Confirmation is

required.

Section 10.4. **Governing Law.**

(a) THIS AGREEMENT WAS NEGOTIATED IN THE STATE OF NEW YORK, AND MADE BY LENDER AND ACCEPTED BY BORROWER IN THE STATE OF NEW YORK, AND THE PROCEEDS OF THE NOTE DELIVERED PURSUANT HERETO WERE DISBURSED FROM THE STATE OF NEW YORK, WHICH STATE THE PARTIES AGREE HAS A SUBSTANTIAL RELATIONSHIP TO THE PARTIES AND TO THE UNDERLYING TRANSACTION EMBODIED HEREBY, AND IN ALL RESPECTS, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS AGREEMENT AND THE OBLIGATIONS ARISING HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED IN SUCH STATE (WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS) AND ANY APPLICABLE LAW OF THE UNITED STATES OF AMERICA. TO THE FULLEST EXTENT PERMITTED BY LAW, BORROWER HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY CLAIM TO ASSERT THAT THE LAW OF ANY OTHER JURISDICTION GOVERNS THIS AGREEMENT AND THE NOTE, AND THIS AGREEMENT AND THE NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK PURSUANT TO SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW.

(b) ANY LEGAL SUIT, ACTION OR PROCEEDING AGAINST LENDER OR BORROWER ARISING OUT OF OR RELATING TO THIS AGREEMENT MAY AT LENDER'S OPTION BE INSTITUTED IN ANY FEDERAL OR STATE COURT IN THE CITY OF NEW YORK, COUNTY OF NEW YORK, PURSUANT TO SECTION 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW, AND BORROWER WAIVES ANY OBJECTIONS WHICH IT MAY NOW OR HEREAFTER HAVE BASED ON VENUE AND/OR FORUM NON CONVENIENS OF ANY SUCH SUIT, ACTION OR PROCEEDING, AND BORROWER HEREBY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF ANY SUCH COURT IN ANY SUIT, ACTION OR PROCEEDING. BORROWER DOES HEREBY AGREE DESIGNATE AND APPOINT:

VORNADO REALTY TRUST
888 SEVENTH AVENUE, 44TH FLOOR
NEW YORK, NEW YORK 10106
ATTENTION: CORPORATION COUNSEL
FACSIMILE NO.: (212) 894-7996

AS ITS AUTHORIZED AGENT TO ACCEPT AND ACKNOWLEDGE ON ITS BEHALF SERVICE OF ANY AND ALL PROCESS WHICH MAY BE SERVED IN ANY SUCH SUIT, ACTION OR PROCEEDING IN ANY FEDERAL OR STATE COURT IN NEW YORK, NEW YORK, AND BORROWER AGREES THAT SERVICE OF PROCESS UPON SAID AGENT AT SAID ADDRESS AND WRITTEN NOTICE OF SAID SERVICE MAILED OR DELIVERED TO BORROWER IN THE MANNER PROVIDED HEREIN SHALL BE DEEMED IN EVERY RESPECT EFFECTIVE SERVICE OF PROCESS UPON BORROWER IN ANY SUCH SUIT, ACTION OR PROCEEDING IN THE STATE OF NEW YORK.

BORROWER (I) SHALL GIVE PROMPT NOTICE TO LENDER OF ANY CHANGED ADDRESS OF ITS AUTHORIZED AGENT HEREUNDER, (II) MAY AT ANY TIME AND FROM TIME TO TIME DESIGNATE A SUBSTITUTE AUTHORIZED AGENT WITH AN OFFICE IN NEW YORK, NEW YORK (WHICH SUBSTITUTE AGENT AND OFFICE SHALL BE DESIGNATED AS THE PERSON AND ADDRESS FOR SERVICE OF PROCESS), AND (III) SHALL PROMPTLY DESIGNATE A SUBSTITUTE IF ITS AUTHORIZED AGENT CEASES TO HAVE AN OFFICE IN NEW YORK, NEW YORK OR IS DISSOLVED WITHOUT LEAVING A SUCCESSOR. NOTHING CONTAINED HEREIN SHALL AFFECT THE RIGHT OF LENDER TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST BORROWER IN ANY OTHER JURISDICTION.

Section 10.5. **Modification, Waiver in Writing.** No modification, amendment, extension, discharge, termination or waiver of any provision of this Agreement or of any other Loan Document, nor consent to any departure therefrom, shall in any event be effective unless the same shall be in a writing signed by the party or parties against whom enforcement is sought, and then such waiver or consent shall be effective only in the specific instance, and for the purpose, for which given. Except as otherwise expressly provided herein, no notice to, or demand on Borrower, shall entitle Borrower to any other or future notice or demand in the same, similar or other circumstances. Neither any failure nor any delay on the part of Lender in insisting upon strict performance of any term, condition, covenant or agreement, or exercising any right, power, remedy or privilege hereunder or under any other Loan Document, shall operate as or constitute a waiver thereof, nor shall a single or partial exercise thereof preclude any other future exercise, or the exercise of any other right, power, remedy or privilege. In particular, and not by way of limitation, by accepting payment after the due date of any amount payable under this Agreement or any other Loan Document, Lender shall not be deemed to have waived any right either to require prompt payment when due of all other amounts due under this Agreement or the other Loan Documents, or to declare a default for failure to effect prompt payment of any such other amount. Lender shall have the right to waive or reduce any time periods that Lender is entitled to under the Loan Documents in its sole and absolute discretion.

Section 10.6. **Notices.** All notices, demands, requests, consents, approvals or other communications (any of the foregoing, a "**Notice**") required or permitted to be given hereunder shall be given in writing and shall be (i) sent by facsimile (with answer back acknowledged), (ii) sent by registered or certified mail, postage prepaid, return receipt requested, or (iii) delivered by hand or by reputable overnight courier, addressed to the party to be so notified at its address hereinafter set forth, or to such other address as such party may hereafter specify in accordance with the provisions of this Section 10.6. Any Notice shall be deemed to have been received: (a) three (3) days after the date such Notice is mailed, (b) on the date of sending by facsimile if sent prior to 5:00 P.M. (New York time) on a Business Day (otherwise on the next Business Day), (c) on the date of delivery by hand if delivered prior to 5:00 P.M. (New York time) on a Business Day (otherwise on the next Business Day), and (d) on the next Business Day if sent by a reputable courier for delivery on the next Business Day, in each case addressed to the parties as follows:

If to Lender: German American Capital Corporation
60 Wall Street, 10th Floor
New York, New York 10005
Attention: Robert W. Pettinato, Jr.

and to: German American Capital Corporation
60 Wall Street, 10th Floor
New York, New York 10005
Attention: General Counsel

with a copy to: Sidley Austin LLP
1 South Dearborn Street
Chicago, Illinois 60603
Attention: Charles E. Schrank, Esq.

If to Borrower: 731 Office One LLC
c/o Vornado Realty L.P.
210 Route 4 East
Paramus, New Jersey 07652
Attention: Chief Financial Officer

and to: Vornado Realty L.P.
888 Seventh Avenue
New York, New York 10106
Attention: Executive Vice President – Co-Head Acquisitions
and Capital Markets

and to: Vornado Realty L.P.
888 Seventh Avenue
New York, New York 10106
Attention: Corporation Counsel

with a copy to: Sullivan & Cromwell LLP
125 Broad Street
New York, New York 10004
Attention: Arthur S. Adler, Esq.

Any party may change the address to which any such Notice is to be delivered by furnishing ten (10) days written notice of such change to the other parties in accordance with the provisions of this [Section 10.6](#). Notices shall be deemed to have been given on the date as set forth above, even if there is an inability to actually deliver any such Notice because of a changed address of which no Notice was given, or there is a rejection or refusal to accept any Notice offered for delivery. Notice for any party may be given by its respective counsel, provided that it is given in accordance with this [Section 10.6](#) as set forth above. Additionally, Notice from Lender may also be given by Servicer and Lender hereby acknowledges and agrees that Borrower shall be entitled to rely on any Notice given by Servicer as if it had been sent by Lender.

Section 10.7. **Waiver of Trial by Jury.** BORROWER AND LENDER EACH HEREBY AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF

RIGHT BY JURY, AND WAIVES ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THE LOAN DOCUMENTS OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY BORROWER AND LENDER AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. EACH PARTY IS HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER.

Section 10.8. **Headings, Schedules and Exhibits.** The Article and/or Section headings and the Table of Contents in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose. The Schedules and Exhibits annexed hereto are hereby incorporated herein as a part of this Agreement with the same effect as if set forth in the body hereof.

Section 10.9. **Severability.** Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

Section 10.10. **Preferences.** Lender shall have the continuing and exclusive right to apply or reverse and reapply any and all payments by Borrower to any portion of the Obligations of Borrower hereunder. To the extent Borrower makes a payment or payments to Lender, which payment or proceeds or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, receiver or any other party under any bankruptcy law, state or federal law, common law or equitable cause, then, to the extent of such payment or proceeds received, the Obligations hereunder or part thereof intended to be satisfied shall be revived and continue in full force and effect, as if such payment or proceeds had not been received by Lender.

Section 10.11. **Waiver of Notice.** Borrower shall not be entitled to any notices of any nature whatsoever from Lender except with respect to matters for which this Agreement or the other Loan Documents specifically and expressly provide for the giving of notice by Lender to Borrower and except with respect to matters for which Borrower is not, pursuant to applicable Legal Requirements, permitted to waive the giving of notice. Borrower hereby expressly waives the right to receive any notice from Lender with respect to any matter for which this Agreement or the other Loan Documents do not specifically and expressly provide for the giving of notice by Lender to Borrower.

Section 10.12. **Remedies of Borrower.** In the event that a claim or adjudication is made that Lender or its agents have acted unreasonably or unreasonably delayed acting in any case where, by law or under this Agreement or the other Loan Documents, Lender or such agent, as the case may be, has an obligation to act reasonably or promptly, neither Lender nor its agents shall be liable for any monetary damages (unless it is determined pursuant to a final judgment that Lender acted in bad faith) and Borrower's sole remedy shall be limited to commencing an action seeking injunctive relief or declaratory judgment. Any action or proceeding to determine whether Lender has acted reasonably shall be determined by an action seeking declaratory

judgment.

Section 10.13. **Offsets, Counterclaims and Defenses.** Any assignee of Lender's interest in and to this Agreement and the other Loan Documents shall take the same free and clear of all offsets, counterclaims or defenses which are unrelated to such documents which Borrower may otherwise have against any assignor of such documents, and no such unrelated counterclaim or defense shall be interposed or asserted by Borrower in any action or proceeding brought by any such assignee upon such documents and any such right to interpose or assert any such unrelated offset, counterclaim or defense in any such action or proceeding is hereby expressly waived by Borrower.

Section 10.14. **No Joint Venture or Partnership; No Third Party Beneficiaries.**

(a) Borrower and Lender intend that the relationships created hereunder and under the other Loan Documents be solely that of borrower and lender. Nothing herein or therein is intended to create a joint venture, partnership, tenancy-in-common or joint tenancy relationship between Borrower and Lender nor to grant Lender any interest in the Property other than that of mortgagee, beneficiary or lender.

(b) The Loan Documents are solely for the benefit of Lender and Borrower and nothing contained in any Loan Document shall be deemed to confer upon anyone other than the Lender and Borrower any right to insist upon or to enforce the performance or observance of any of the obligations contained therein.

Section 10.15. **Publicity.** All news releases, publicity or advertising by any party hereto or their respective Affiliates through any media intended to reach the general public (but excluding, for clarity, any filings or news releases necessary or appropriate under applicable Legal Requirements, including securities laws and regulations) which refers to the Loan Documents or the financing evidenced by the Loan Documents shall be subject to the prior consultation between Borrower and Lender; provided, that no such news release, publicity or advertising by Borrower, Guarantor or any of their respective Affiliates, regardless of whether same is necessary or appropriate under applicable Legal Requirements, shall mention or refer to (i) any Securities or Securitization or to any prospective securitization or securities related to the Loan, or to any Affiliate of Lender that acts as depositor, initial purchaser or underwriter with respect to a Securitization of all or any portion of the Loan, or (ii) until the date occurring 90 days after the closing date of a Securitization, to Lender or any of its Affiliates; provided further that Borrower or its Affiliates may, to the extent necessary or appropriate under the applicable Legal Requirements, file a Form 8-K, Form 10-K or Form 10-Q which discloses the financing obtained pursuant to the Loan Documents and attaches the Loan Agreement and one or more other Loan Documents as an exhibit thereto so long as such filing does not disclose any of the information set forth in clause (i) (it being agreed that the inclusion of the Loan Agreement and one or more Loan Documents as exhibits to such filing alone shall not be deemed to disclose any information set forth in clause (i)).

Section 10.16. **Waiver of Marshalling of Assets.** To the fullest extent permitted by law, Borrower, for itself and its successors and assigns, waives all rights to a marshalling of the assets of Borrower, Borrower's members or partners, as applicable, and others with interests in Borrower, and of the Property, and shall not assert any right under any laws

pertaining to the marshalling of assets, the sale in inverse order of alienation, homestead exemption, the administration of estates of decedents, or any other matters whatsoever to defeat, reduce or affect the right of Lender under the Loan Documents to a sale of the Property for the collection of the Obligations without any prior or different resort for collection, or of the right of Lender to the payment of the Obligations out of the net proceeds of the Property in preference to every other claimant whatsoever.

Section 10.17. **Certain Waivers.** Borrower hereby waives the right to assert a counterclaim, other than a compulsory counterclaim, in any action or proceeding brought against it by Lender or its agents or otherwise to offset any obligations to make the payments required by the Loan Documents. No failure by Lender to perform any of its obligations hereunder shall be a valid defense to, or result in any offset against, any payments which Borrower is obligated to make under any of the Loan Documents. Without limiting any of the other provisions contained herein, each of Borrower and Lender hereby unconditionally and irrevocably waives, to the maximum extent not prohibited by applicable law, any rights it may have to claim or recover against the other party in any legal action or proceeding any special, exemplary, punitive or consequential damages.

Section 10.18. **Conflict; Construction of Documents; Reliance.** In the event of any conflict between the provisions of this Agreement and any of the other Loan Documents, the provisions of this Agreement shall control. The parties hereto acknowledge that they were represented by competent counsel in connection with the negotiation, drafting and execution of the Loan Documents and that such Loan Documents shall not be subject to the principle of construing their meaning against the party which drafted same. Borrower acknowledges that, with respect to the Loan, Borrower shall rely solely on its own judgment and advisors in entering into the Loan, without relying in any manner on any statements, representations or recommendations of Lender or any parent, subsidiary or affiliate of Lender. Lender shall not be subject to any limitation whatsoever in the exercise of any rights or remedies available to it under any of the Loan Documents or any other agreements or instruments which govern the Loan by virtue of the ownership by it or any parent, subsidiary or affiliate of Lender of any equity interest any of them may acquire in Borrower, and Borrower hereby irrevocably waives the right to raise any defense or take any action on the basis of the foregoing with respect to Lender's exercise of any such rights or remedies. Borrower acknowledges that Lender engages in the business of real estate financings and other real estate transactions and investments which may be viewed as adverse to or competitive with the business of Borrower or its Affiliates.

Section 10.19. **Brokers and Financial Advisors.** Borrower and Lender each hereby represent to each other that they have not dealt with any brokers or finders in connection with the transactions contemplated by the Loan Documents or made any agreements or promises which will in any way create or give use to any obligation or liability for payment by it for any brokerage fee or commission or any other similar compensation to any other Person with respect to the transactions contemplated herein. Each of Lender and Borrower shall indemnify, defend and hold the other harmless from and against any and all claims, liabilities, losses, costs and expenses of any kind (including Lender's attorneys' fees and expenses) in any way relating to or arising out of a claim by any Person that such Person acted on behalf of Borrower or Lender, as the case may be, in connection with the transactions contemplated herein. The provisions of this Section 10.19 shall survive the expiration and termination of this Agreement and the payment of the Obligations.

Section 10.20. **Prior Agreements.** This Agreement and the other Loan Documents contain the entire agreement of the parties hereto and thereto and their respective affiliates in respect of the transactions contemplated hereby and thereby, and all prior agreements among or between such parties, including any confidentiality agreements or any similar agreements between or among any such parties, whether oral or written, are superseded by the terms of this Agreement and the other Loan Documents.

Section 10.21. **Servicer.**

(a) At the option of Lender, the Loan may be serviced by a servicer and special servicer (the “**Servicer**”) selected by Lender and Lender may delegate all or any portion of its responsibilities under this Agreement and the other Loan Documents to the Servicer pursuant to a servicing agreement (the “**Servicing Agreement**”) between Lender and Servicer. Borrower shall not be responsible for any set-up fees or any other initial costs relating to or arising under the Servicing Agreement. Borrower shall not be responsible for payment of the initial set-up fees and the monthly master servicing fee due to the Servicer under the Servicing Agreement.

(b) Except as otherwise expressly set forth in this Agreement and subject to Section 9.4 hereof, Borrower shall pay any customary fees, costs and expenses of the Servicer and any reasonable third-party fees and expenses incurred in each case in connection with a prepayment, release of the Property, approvals under the Loan Documents requested by Borrower, assumption of Borrower’s obligations or amendment or modification of the Loan requested by Borrower subject to and in accordance with any servicing agreement or similar agreement entered into in connection with a Securitization, as well as (i) any amounts payable in respect of advances (including protective advances, special servicer fee advances and advances of delinquent debt service payments), together with interest thereon, made pursuant to the servicing agreement, in each case, as a result of Borrower’s default hereunder beyond any applicable grace period (or, with respect to special servicer fee advances, as a result of the Loan becoming a specially serviced loan pursuant to the servicing agreement) to the extent late charges and default interest actually paid by Borrower in respect of such payments are insufficient to pay the same, (ii) “liquidation fees” related to the Loan in the amounts set forth in the servicing agreement, which amounts shall not exceed one-half percent (0.50%) of liquidation proceeds, (iii) “workout fees” in the amounts set forth in the servicing agreement, which amounts shall not exceed one-half percent (0.50%) of interest and principal collections on the Loan so long as the Loan is a “corrected” mortgage loan, and (iv) “special servicing fees” for the Loan upon the Loan becoming a specially serviced loan pursuant to the servicing agreement in the amounts set forth in the servicing agreement, which amounts shall not exceed one-quarter of one percent (0.25%) per annum. At no time shall Borrower be required to deal with or pay for more than one master servicer and one special servicer in connection with the Loan.

Section 10.22. **No Fiduciary Duty.**

(a) Borrower acknowledges that, in connection with this Agreement, the other Loan Documents and the transaction described herein, Lender has relied upon and assumed the accuracy and completeness of all of the financial, legal, regulatory, accounting, tax and other information provided to, discussed with or reviewed by Lender for such purposes, and Lender does not assume any liability therefor or responsibility for the accuracy, completeness or independent verification thereof. Lender, its affiliates and its and their respective equityholders

and employees (for purposes of this Section, the “*Lending Parties*”) have no obligation to conduct any independent evaluation or appraisal of the assets or liabilities (including any contingent, derivative or off-balance sheet assets and liabilities) of Guarantor, Borrower or any other Person or any of their respective affiliates or to advise or opine on any related solvency or viability issues.

(b) It is understood and agreed that (i) the Lending Parties shall act under this Agreement and the other Loan Documents as an independent contractor, (ii) the transaction described herein is an arm’s-length commercial transaction, (iii) each Lending Party is acting solely as principal and not as the agent or fiduciary of Borrower, Guarantor or their respective affiliates, stockholders, employees or creditors or any other Person and (iv) nothing in this Agreement, the other Loan Documents, the transaction described herein or otherwise shall be deemed to create (A) a fiduciary duty (or other implied duty) on the part of any Lending Party to Guarantor, Borrower, any of their respective affiliates, stockholders, employees or creditors, or any other Person or (B) a fiduciary or agency relationship between Guarantor, Borrower or any of their respective affiliates, stockholders, employees or creditors, on the one hand, and the Lending Parties, on the other. Borrower agrees that neither it nor Guarantor nor any of their respective affiliates shall make, and hereby waives, any claim against the Lending Parties based on an assertion that any Lending Party has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to Borrower, Guarantor or their respective affiliates, stockholders, employees or creditors. Nothing in this Agreement or the other Loan Documents is intended to confer upon any other Person (including affiliates, stockholders, employees or creditors of Borrower and Guarantor) any rights or remedies by reason of any fiduciary or similar duty.

(c) Borrower acknowledges that it has been advised that the Lending Parties are full service financial services firms engaged, either directly or through affiliates in various activities, including securities trading, investment banking and financial advisory, investment management, principal investment, hedging, financing and brokerage activities and financial planning and benefits counseling for both companies and individuals. In the ordinary course of these activities, the Lending Parties may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and/or financial instruments (including loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and/or instruments. Such investment and other activities may involve securities and instruments of affiliates of Borrower, including Guarantor, as well as of other Persons that may (i) be involved in transactions arising from or relating to the transaction described herein, (ii) be customers or competitors of Borrower, Guarantor and/or their respective affiliates, or (iii) have other relationships with Borrower, Guarantor and/or their respective affiliates. In addition, the Lending Parties may provide investment banking, underwriting and financial advisory services to such other Persons. The Lending Parties may also co-invest with, make direct investments in, and invest or co-invest client monies in or with funds or other investment vehicles managed by other parties, and such funds or other investment vehicles may trade or make investments in securities of affiliates of Borrower, including Guarantor or such other Persons. The transaction may have a direct or indirect impact on the investments, securities or instruments referred to in this paragraph. Although the Lending Parties in the course of such other activities and relationships may acquire information about the transaction described herein or other Persons that may be the subject of such transaction, the Lending Parties shall have no obligation to disclose such information, or the

fact that the Lending Parties are in possession of such information, to Borrower, Guarantor or any of their respective affiliates or to use such information on behalf of Borrower, Guarantor or any of their respective affiliates.

(d) Borrower acknowledges and agrees that Borrower has consulted its own legal and financial advisors to the extent it deemed appropriate and that it is responsible for making its own independent judgment with respect to this Agreement, the other Loan Documents, the transaction described herein and the process leading thereto.

Section 10.23. **Creation of Security Interest.** Notwithstanding any other provision set forth in this Agreement, the Note, the Mortgage or any of the other Loan Documents, Lender may at any time create a security interest in all or any portion of its rights under this Agreement, the Note, the Mortgage and any other Loan Document (including the advances owing to it) in favor of any Federal Reserve Bank in accordance with Regulation A of the Board of Governors of the Federal Reserve System.

Section 10.24. **Assignments and Participations.** Except as expressly permitted herein, Borrower may not assign its rights, title, interests or obligations under this Agreement or under any of the Loan Documents.

Section 10.25. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their duly authorized representatives, all as of the day and year first above written.

LENDER:

GERMAN AMERICAN CAPITAL CORPORATION

By: /s/ David Goodman
Name: David Goodman
Title: Director

By: /s/ Lisa Paterson
Name: Lisa Paterson
Title: Director

[signatures continue on following page]

BORROWER:

731 OFFICE ONE LLC, a Delaware limited liability company

By: 731 OFFICE ONE HOLDING LLC, a Delaware
limited liability company, its sole member

By: ALEXANDER'S, INC., a Delaware
corporation, its sole member

By: /s/Alan Rice
Name: Alan Rice
Title: Secretary

SCHEDULE I

Reserved

Sch. I-1

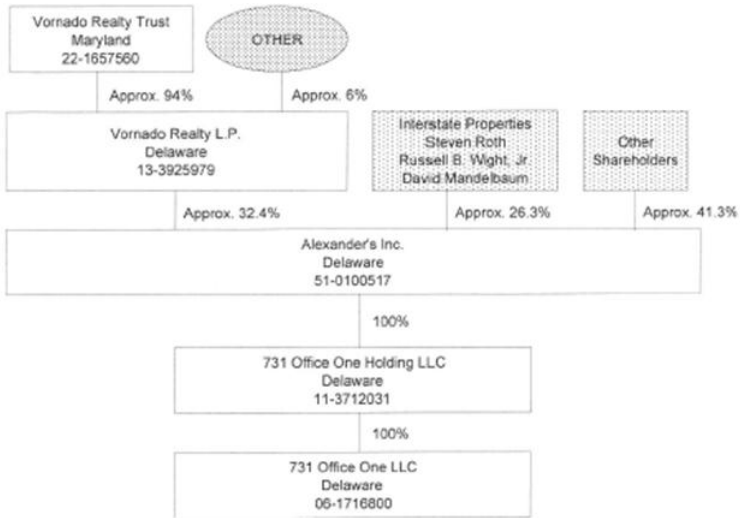
SCHEDULE II

Reserved

Sch. II-1

SCHEDULE III
ORGANIZATIONAL CHART

**731 OFFICE ONE LLC
STRUCTURE CHART**



SCHEDULE IV

EXCEPTIONS TO REPRESENTATIONS AND WARRANTIES

Leases with Tenants that are Affiliates of Borrower:

1. Lease, dated as of November 15, 2005, by and between Borrower, as landlord, and Residential Board of Managers of the Beacon Court Condominium, as tenant.
2. License Agreement, dated as of November 1, 2004, by and between 731 Commercial LLC (predecessor-in-interest to Borrower) and SMB Administration LLC.

Sch. IV-1

SCHEDULE V

DEFINITION OF SPECIAL PURPOSE BANKRUPTCY REMOTE ENTITY

Borrower hereby represents and warrants to, and covenants with, Lender that since the date of its formation (except to the extent applicable only on and after the Closing Date as specified below) and at all times on and after the Closing Date and until such time as the Obligations shall be paid and performed in full:

(a) Borrower is organized under the laws of the State of Delaware and (i) has been, is, and will be organized solely for the purpose of acquiring, developing, owning, holding, selling, leasing, transferring, exchanging, managing and operating the Property, entering into and performing its obligations under the Loan Documents and the loan documents for the Prior Loan, financing and refinancing the Property, and transacting lawful business that is incident, necessary and appropriate to accomplish the foregoing, and (b) has not owned, does not own, and will not own any asset or property other than (i) the Property and (ii) incidental personal property incident, necessary or advisable and appropriate to accomplish any of the foregoing.

(b) Borrower has not engaged and will not engage in any business other than the business described in clause (a) above.

(c) Except for capital contributions and capital distributions permitted under the terms and conditions of its organizational documents and properly reflected in its books and records, Borrower has not and will not enter into any transaction, contract or agreement with any Borrower Affiliate, except upon terms and conditions that are commercially reasonable and substantially similar to those that would be available on an arms-length basis with third parties other than such affiliated party.

(d) From and after the Closing Date, Borrower shall not have or incur any Indebtedness other than Permitted Indebtedness. Prior to the Closing Date, Borrower has not incurred any indebtedness other than the Prior Loan and the indebtedness permitted under the terms of the loan documents evidencing such loan, which indebtedness is no longer outstanding.

(e) Borrower has not made and will not make any loans or advances to any third party (including any Borrower Affiliate or constituent party), except that Borrower may from time to time in the ordinary course of business agree with third-party Tenants to make certain tenant improvement allowances available to such Tenant, and has not and shall not acquire obligations or securities of any Borrower Affiliate.

(f) Borrower has been, is, and intends to remain solvent and Borrower has paid and intends to pay its debts and liabilities (including, as applicable, shared personnel and overhead expenses) from its assets, provided that revenues from the operation of the Property are sufficient to enable it to do so; and provided, further, that the foregoing shall not require any direct or indirect member, partner or shareholder of Borrower or any other Person to make any additional capital contributions, loans or other equity infusions to Borrower.

(g) Borrower has done or caused to be done, and will do, all things necessary to observe organizational formalities necessary to maintain its separate existence, and Borrower has not, will not (i) terminate or fail to comply with, or amend, modify or otherwise change, the "special purpose provisions" of its organizational documents relating to its status as a Special Purpose Bankruptcy Remote Entity, except as expressly permitted pursuant to the terms hereof and thereof, or (ii) unless (A) Lender has consented and (B) following a Securitization of the Loan, the applicable Rating Agencies have issued a Rating Agency Confirmation.

(h) (1) Borrower has maintained and will maintain all of its books, records, financial statements and bank accounts separate from those of its Affiliates and any other Person; (2) Borrower's assets will not be listed as assets on the financial statement of any other Person, except that Borrower's financial position, assets, results of operations and cash flows may be included in a consolidated financial statement of its Affiliates, provided that (i) any such consolidated financial statement contains a note indicating that Borrower and its Affiliates are separate legal entities (or a similar statement is contained in such Affiliates' Securities and Exchange Commission Form 10-K or 10-Q filings and it is such Affiliate's practice to deliver its financial statements together with its filings), and (ii) such assets shall be listed on Borrower's own separate balance sheet; and (3) Borrower will file its own tax returns (to the extent Borrower is required to file any tax returns) and will not file a consolidated federal income tax return with any other Person.

(i) Borrower has held and will (i) hold itself out to the public as a legal entity, separate and distinct from any other entity (including any Borrower Affiliate or any constituent party of Borrower (recognizing that Borrower may be treated as a "disregarded entity" for tax purposes and is not required to file tax returns for tax purposes under applicable law)), (ii) has corrected and shall correct any known misunderstanding regarding its status as a separate entity, (iii) has conducted and shall conduct business in its own name, (iv) has identified and shall not identify itself or any Borrower Affiliate as a division or department or part of the other and has maintained and utilized and shall maintain and utilize, to the extent reasonably necessary for the operation of its business, separate stationery, invoices and checks bearing its own name (except for actions taken by any agent of Borrower, including the Manager, in which such agent identifies itself as an agent of Borrower).

(j) Borrower has maintained and intends to maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations, provided revenues from the Property are sufficient to enable it to do so; and provided, further, that the foregoing shall not require any direct or indirect member, partner or shareholder of Borrower or any other Person to make any additional capital contributions, loans or other equity infusions to Borrower.

(k) Borrower shall not, to the fullest extent permitted by law, engage in, seek or consent to its liquidation, dissolution, winding up, consolidation or merger.

(l) Borrower (i) has not and will not commingle the funds and other assets of Borrower with those of any Borrower Affiliate or any other Person and (ii) has held and will hold all of its assets in its own name, except that all amounts paid to Borrower may be deposited into deposit accounts (controlled by an Affiliate of the Borrower as an agent on behalf of the

Borrower), as and when received, pursuant to that certain Cash Management Agency Agreement, dated as of the date hereof, between Alexander's, Inc. and Borrower.

(m) Borrower has and will maintain its assets in such a manner that it will not be costly or difficult to segregate, ascertain or identify its individual assets from those of any other Person.

(n) Borrower has not and will not assume or guarantee or become obligated for the debts of any other Person and does not and will not hold itself or its credit out to be responsible for the debts or obligations of any other Person.

(o) The organizational documents of Borrower shall provide that the business and affairs of Borrower shall be (A) managed by or under the direction of a board of one or more directors designated by Borrower's sole member (the "**Sole Member**") or (B) a committee of managers designated by Sole Member (a "**Committee**") or (C) by Sole Member, and at all times there shall be at least two (2) duly appointed Independent Directors or Independent Managers, which may also be "independent members" thereof. In addition, the organizational documents of Borrower shall provide that no Independent Director or Independent Manager (as applicable) of Borrower may be removed or replaced without Cause and unless Borrower provides Lender with not less than five (5) Business Days' prior written notice of (a) any proposed removal of an Independent Director or Independent Manager (as applicable), together with a statement as to the reasons for such removal, and (b) the identity of the proposed replacement Independent Director or Independent Manager, as applicable, together with a certification that such replacement satisfies the requirements set forth in the organizational documents for an Independent Director or Independent Manager (as applicable).

(p) The organizational documents of Borrower shall also provide an express acknowledgment that Lender is an intended third-party beneficiary of the "special purpose" provisions" of such organizational documents.

(q) The organizational documents of Borrower shall provide that Borrower will not and Borrower agrees that it will not, without the unanimous written consent of its board of directors, its Committee or its Sole Member (as applicable), including, or together with, the Independent Directors or Independent Managers (as applicable) (i) file or consent to the filing of any petition, either voluntary or involuntary, to take advantage of any applicable insolvency, bankruptcy, liquidation or reorganization statute, (ii) seek or consent to the appointment of a receiver, liquidator or any similar official of Borrower or a substantial part of its business, (iii) take any action that would, in the reasonable judgment of its Sole Member, be reasonably likely to cause such entity to become insolvent, (iv) make an assignment for the benefit of creditors, (v) admit in writing its inability to pay debts generally as they become due (unless true), (vi) declare or effectuate a moratorium on the payment of any obligations, or (vii) take any action in furtherance of the foregoing. Borrower shall not take any of the foregoing actions without the unanimous written consent of its board of directors, its Committee or its Sole Member, as applicable, including (or together with) all Independent Directors or Independent Managers, as applicable. In addition, the organizational documents of Borrower shall provide that, when voting with respect to any matters set forth in the immediately preceding sentence of this clause (q), the Independent Directors or Independent Managers (as applicable) shall consider only the

interests of Borrower, including its creditors. Without limiting the generality of the foregoing, such documents shall expressly provide that, to the greatest extent permitted by law, except for duties to Borrower (including duties to the members of Borrower solely to the extent of their respective economic interest in Borrower and to Borrower's creditors as set forth in the immediately preceding sentence), such Independent Directors or Independent Managers (as applicable) shall not owe any fiduciary duties to, and shall not consider, in acting or otherwise voting on any matter for which their approval is required, the interests of (i) the members of Borrower, (ii) other Borrower Affiliates, or (iii) any group of Affiliates of which Borrower is a part); provided, however, the foregoing shall not eliminate the implied contractual covenant of good faith and fair dealing.

(r) The organizational documents of Borrower shall provide that, as long as any portion of the Obligations remains outstanding, upon the occurrence of any event that causes Sole Member to cease to be a member of Borrower (other than (i) upon an assignment by Sole Member of all of its limited liability company interest in Borrower and the admission of the transferee, if permitted pursuant to the organizational documents of Borrower and the Loan Documents, or (ii) the resignation of Sole Member and the admission of an additional member of Borrower, if permitted pursuant to the organizational documents of Borrower and the Loan Documents), each of the persons acting as an Independent Director or Independent Manager (as applicable) of Borrower shall, without any action of any Person and simultaneously with Sole Member ceasing to be a member of Borrower, automatically be admitted as members of Borrower (in each case, individually, a "**Special Member**" and collectively, the "**Special Members**"), or in the event that any such Independent Director or Independent Member is already a non-economic member, shall continue as a member of Borrower, and, in each case, shall preserve and continue the existence of Borrower without dissolution. The organizational documents of Borrower shall further provide that for so long as any portion of the Obligations is outstanding, no Special Member may resign or transfer its rights as Special Member unless (i) a successor Special Member has been admitted to Borrower as a Special Member, and (ii) such successor Special Member has also accepted its appointment as an Independent Director or Independent Manager (as applicable).

(s) The organizational documents of Borrower shall provide that, as long as any portion of the Obligations remains outstanding: (i) Borrower shall be dissolved, and its affairs shall be wound up, only upon the first to occur of the following: (A) the termination of the legal existence of the last remaining member of Borrower or the occurrence of any other event which terminates the continued membership of the last remaining member of Borrower in Borrower unless the business of Borrower is continued in a manner permitted by its operating agreement or the Delaware Limited Liability Company Act (the "**Act**"), or (B) the entry of a decree of judicial dissolution under Section 18-802 of the Act; (ii) upon the occurrence of any event that causes the last remaining member of Borrower to cease to be a member of Borrower or that causes Sole Member to cease to be a member of Borrower (other than (A) upon an assignment by Sole Member of all of its limited liability company interest in Borrower and the admission of the transferee, if permitted pursuant to the organizational documents of Borrower and the Loan Documents, or (B) the resignation of Sole Member and the admission of an additional member of Borrower, if permitted pursuant to the organizational documents of Borrower and the Loan Documents), to the fullest extent permitted by law, the personal representative of such last remaining member shall be authorized to, and shall, within ninety (90)

days after the occurrence of the event that terminated the continued membership of such member in Borrower, agree in writing (I) to continue the existence of Borrower, and (II) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute member of Borrower, effective as of the occurrence of the event that terminated the continued membership of such member in Borrower; (iii) the bankruptcy of Sole Member or a Special Member shall not cause such Sole Member or Special Member, respectively, to cease to be a member of Borrower and upon the occurrence of such an event, the business of Borrower shall continue without dissolution; (iv) in the event of the dissolution of Borrower, Borrower shall conduct only such activities as are necessary to wind up its affairs (including the sale of the assets of Borrower in an orderly manner), and the assets of Borrower shall be applied in the manner, and in the order of priority, set forth in Section 18-804 of the Act; and (v) to the fullest extent permitted by law, each of Sole Member and the Special Members shall irrevocably waive any right or power that they might have to cause Borrower or any of its assets to be partitioned, to cause the appointment of a receiver for all or any portion of the assets of Borrower, to compel any sale of all or any portion of the assets of Borrower pursuant to any applicable law or to file a complaint or to institute any proceeding at law or in equity to cause the dissolution, liquidation, winding up or termination of Borrower.

(t) Except pursuant to the Guaranty, the Alteration Deficiency Guaranty, the Completion Guaranty or any other guaranty which may be given pursuant to Section 4.3 or Section 4.6 of this Agreement and subject to the limitations set forth in Section 6.11 of this Agreement, Borrower has paid and intends to pay its own liabilities and expenses, including the salaries of its own employees (if any) from its own funds, and has maintained and shall maintain a sufficient number of employees (if any) in light of its contemplated business operations, provided, in each case, that revenues from the Property are sufficient to enable it to do so; and, provided, further, that the foregoing shall not require direct or indirect any member, partner or shareholder of Borrower or any other Person to make any additional capital contributions, loans or equity infusions to Borrower.

(u) Borrower has not permitted and will not permit any Borrower Affiliate or constituent party independent access to its bank accounts other than Manager in its capacity as agent of Borrower, except as set forth in clause (l) above.

(v) Borrower has allocated and will allocate fairly and reasonably any overhead expenses that are shared with any Borrower Affiliate, including shared office space.

(w) Borrower has not pledged and will not pledge its assets to secure the obligations of any other Person.

(x) Borrower has and will have no obligation to indemnify its officers, directors, members or Special Members, as the case may be, unless such obligation is fully subordinated to the Debt and will not constitute a claim against it if cash flow in excess of the amount required to pay the Debt is insufficient to pay such obligation.

(y) Borrower has not, does not, and will not have any of its obligations guaranteed by any Borrower Affiliate (other than from the Guarantor with respect to the Guaranty, any Alteration Deficiency Guaranty, the Completion Guaranty and any other guaranty

which may be given pursuant to Sections 4.3 or 4.6 of this Agreement and subject to the limitations set forth in Section 6.11 of this Agreement); it being understood that Borrower Affiliates have provided guarantees, indemnities and environmental indemnities with respect to the Prior Loan, which Prior Loan has been paid in full. Borrower has not owned or formed and will not own or form any subsidiary and has not owned and will not own equity interests in any other entity.

- (z) Borrower has not owned or formed and will not own or form any subsidiary and has not owned and will not own equity interests in any other entity.

As used herein:

“**Cause**” shall mean, with respect to an Independent Director or Independent Manager, (i) acts or omissions by such Independent Director or Independent Manager, as applicable, that constitute willful disregard of, or gross negligence with respect to, such Independent Director’s or Independent Manager’s, as applicable, duties, (ii) such Independent Director or Independent Manager, as applicable, has engaged in or has been charged with or has been indicted or convicted for any crime or crimes of fraud or other acts constituting a crime under any law applicable to such Independent Director or Independent Manager, as applicable, (iii) such Independent Director or Independent Manager, as applicable, has breached its fiduciary duties of loyalty and care as and to the extent of such duties in accordance with the terms of Borrower’s organizational documents, (iv) there is a material increase in the fees charged by such Independent Director or Independent Manager, as applicable, or a material change to such Independent Director’s or Independent Manager’s, as applicable, terms of service, (v) such Independent Director or Independent Manager, as applicable, is unable to perform his or her duties as Independent Director or Independent Manager, as applicable, due to death, disability or incapacity, or (vi) such Independent Director or Independent Manager, as applicable, no longer meets the definition of Independent Director or Independent Manager, as applicable.

“**Independent Director**” or “**Independent Manager**” shall mean a natural person selected by Borrower (a) with prior experience as an independent director, independent manager or independent member, (b) with at least three (3) years of employment experience, (c) who is provided by a Nationally Recognized Service Company, (d) who is duly appointed as an Independent Director or Independent Manager and is not, will not be while serving as Independent Director or Independent Manager (except pursuant to an express provision in Borrower’s operating agreement providing for the appointment of such Independent Director or Independent Manager to become a “special member” upon the last remaining member of Borrower ceasing to be a member of Borrower) and shall not have been at any time during the preceding five (5) years, any of the following:

- (i) a stockholder, director (other than as an Independent Director of Borrower or a Borrower Affiliate that is not in a direct chain of ownership of Borrower and that is required by a creditor to be a Special Purpose Bankruptcy Remote Entity), officer, employee, partner, attorney or counsel of Borrower, any Borrower Affiliate or any direct or indirect parent of Borrower;

(ii) a customer, supplier or other Person who derives any of its purchases or revenues from its activities with Borrower or any Borrower Affiliate (other than as an Independent Director or Independent Manager);

(iii) a Person or other entity Controlling or under Common Control with any such stockholder, partner, customer, supplier or other Person described in clause (i) or clause (ii) above; or

(iv) a member of the immediate family of any such stockholder, director, officer, employee, partner, customer, supplier or other Person described in clause (i) or clause (ii) above.

A natural person who otherwise satisfies the foregoing definition and satisfies clause (i) by reason of being the Independent Director or Independent Manager of a "special purpose entity" affiliated with Borrower shall be qualified to serve as an Independent Director or Independent Manager of Borrower, provided that (i) it is employed by a Nationally Registered Service Company and (ii) the fees that such individual earns from serving as Independent Director or Independent Manager of affiliates of Borrower in any given year constitute in the aggregate less than five percent (5%) of such individual's annual income for that year.

A natural person who satisfies the foregoing definition other than clause (ii) shall not be disqualified from serving as an Independent Director or Independent Manager of Borrower if such individual is an independent director, independent manager or special manager provided by a Nationally Recognized Service Company that provides professional independent directors, independent managers and special managers and also provides other corporate services in the ordinary course of its business.

"**Nationally Recognized Service Company**" shall mean any of CT Corporation, Corporation Service Company, National Registered Agents, Inc., Wilmington Trust Company or such other nationally recognized company that provides independent director, independent manager or independent member services and is reasonably satisfactory to Lender, in each case that is not a Borrower Affiliate and that provides professional independent directors and other corporate services in the ordinary course of its business.

SCHEDULE VI

RECYCLED SPE CERTIFICATE

In connection with a loan (the "**Loan**") in the original principal amount of \$300,000,000 made by **GERMAN AMERICAN CAPITAL CORPORATION**, a Maryland corporation (the "**Lender**"), to **731 OFFICE ONE LLC**, a Delaware limited liability company having an address at c/o Alexander's Inc., 210 Route 4 East, Paramus, New Jersey 07652 (together with its permitted successors and assigns, "**Borrower**"), and pursuant to that certain Loan Agreement, dated as of the date hereof (the "**Loan Agreement**"), among the Lender, as lender, and Borrower, as borrower, the undersigned hereby certifies to the Lender as follows:

1. Borrower is and always has been duly formed and validly existing in the state in which it was formed and in any other jurisdictions where it is qualified to do business;
2. Borrower has no judgments liens or liens of any nature against it except for the Permitted Encumbrances;
3. Borrower is in compliance with all laws, regulations and orders applicable to Borrower and has received all permits necessary for Borrower to operate the Property, except, in each case, where the failure to so comply or possess would not reasonably be expected to result in a Material Adverse Effect;
4. Borrower has never owned any real property other than the Property and personal property incidental to the Property and has never engaged in any business except the acquiring, developing, owning, holding, selling, leasing, transferring, exchanging, managing and operating the Property, entering into and performing its obligations under the Loan Documents and the loan documents for the Prior Loan, financing and refinancing the Property, and transacting lawful business that is incident, necessary and appropriate to accomplish the foregoing;
5. Borrower has no contingent or actual obligations not related to the Property.

This Certificate is delivered in connection with the Loan, and may be relied on by any Lender, including any co-lender or participant lender of the Loan, and their respective successors and assigns. Capitalized terms used herein but not otherwise defined shall have the respective meanings assigned to them in the Loan Agreement.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of the ____ day of _____, 2014.

BORROWER:

731 OFFICE ONE LLC, a Delaware limited liability company

By: 731 OFFICE ONE HOLDING LLC, a Delaware limited liability company, its sole member

By: ALEXANDER'S, INC., a Delaware corporation, its sole member

By: _____
Name:
Title:

Sch. VII-1

EXHIBIT A

LEGAL DESCRIPTION

The Condominium Unit (in the Building located at and known as Beacon Court Condominium and by Street Number 151 East 58th Street, New York), designated and described as Office Unit 1 and Office Unit 2 (hereinafter called the "Units") in the Declaration (hereinafter called "Declaration") made by the Sponsor under the Condominium Act of The State of New York (Article 9-B of the Real Property Law of the State of New York), dated 12/4/2003 and recorded 2/3/2004 in the Office of the Register The City of New York, County of New York, as CRFN 2004000064392, as amended and restated by Amended and Restated Declaration dated 2/8/2005, recorded 3/9/2005 in CRFN 2005000139245, establishing a plan for Condominium ownership of said Building and the land upon which the same is erected (hereinafter sometimes collectively called the "Property") and also designated and described as Tax Lots No. 1002 and 1003, respectively, Block 1313 Section 5, Borough of Manhattan on the Tax Map of the Real property assessment department of the City of New York and on the floor plans of said Building certified by Peter Claman, Registered Architect on 1/30/2004 and filed as Condominium Plan No. 1350 on 2/3/2004 in the aforesaid Register's Office in CRFN 2004000064383, amended Floor Plans filed as Condominium Plan No. 1350-A on 3/9/2005 in CRFN 2005000139246.

The land upon which the Building containing the Unit is erected as follows:

DESCRIPTION OF THE LAND

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

BEGINNING at the corner formed by the intersection of the southerly side of East 59th Street and the westerly side of Third Avenue;

RUNNING THENCE southerly along the westerly side of Third Avenue, 200 feet 10 inches to the northerly side of East 58th Street;

THENCE westerly along the northerly side of East 58th Street 420 feet to the easterly side of Lexington Avenue;

THENCE northerly along the easterly side of Lexington Avenue, 200 feet 10 inches to the southerly side of East 59th Street;

THENCE easterly along the southerly side of East 59th Street, 420 feet to the point or place of BEGINNING.

TOGETHER with the benefits and SUBJECT to the burdens of the easements set forth in the deed made by Seven Thirty One Limited Partnership to 59th Street Corporation dated as of 8/1/2001 and recorded 8/8/2001 in Reel 3339 Page 1100.

DESCRIPTION OF THE COMMERCIAL PREMISES:

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

Ex.A-1

BEGINNING at the corner formed by the intersection of the southerly side of East 59th Street and the westerly side of Third Avenue;

RUNNING THENCE southerly along the westerly side of Third Avenue, 200 feet 10 inches to the northerly side of East 58th Street;

THENCE westerly along the northerly side of East 58th Street, 420 feet to the easterly side of Lexington Avenue;

THENCE northerly along the easterly side of Lexington Avenue, 200 feet 1 inches to the southerly side of East 59th Street;

THENCE easterly, along the southerly side of East 59th Street, 420 feet to the point or place of BEGINNING.

TOGETHER with the benefits and SUBJECT to the burdens of the easements set forth in the deed made by Seven Thirty One Limited Partnership to 59th Street Corporation dated as of 8/1/2001 and recorded 8/8/2001 in Reel 3339 Page 1100.

LESS and EXCEPT:

ALL that portion of the below described parcel lying between a lower horizontal plan drawn at elevation 512 feet 02 inches above the datum level used by the Topographical Bureau, Borough of Manhattan, which is 1 feet 9 inches above National Geodetic Survey Vertical Datum of 1929, mean sea level, Sandy Hook, New Jersey and an upper horizontal plan drawn at 809 feet 2 inches above such datum level, bounded and described as follows:

BEGINNING at a point distant 48 feet 8 inches north of the northerly line of East 58th Street and 30 feet 9 inches east of easterly line of Lexington Avenue;

RUNNING THENCE northerly parallel with the easterly line of Lexington Avenue, 12 feet 6 inches;

THENCE westerly parallel with the northerly line of East 58th Street, 5 feet 10 inches;

THENCE northerly parallel with the easterly line of Lexington Avenue, 78 feet 6 inches;

THENCE easterly parallel with the northerly line of East 58th Street, 5 feet 10 inches;

THENCE northerly parallel with the easterly line of Lexington Avenue, 12 feet 6 inches;

THENCE easterly parallel with the northerly line of East 58th Street, 103 feet 6 inches;

THENCE southerly parallel with the easterly line of Lexington Avenue, 7 feet 6 inches;

THENCE easterly parallel with the northerly line of East 58th Street, 35 feet 0 inches;

THENCE southerly parallel with the easterly line of Lexington Avenue, 88 feet 6 inches;

THENCE westerly parallel with the northerly line of East 58th Street, 35 feet 0 inches;

THENCE southerly parallel with the easterly line of Lexington Avenue, 7 feet 6 inches;

THENCE westerly parallel with the northerly line of East 58th Street, 103 feet 6 inches to the point or place of BEGINNING.

DESCRIPTION OF THE RESIDENTIAL PREMISES

All that portion of the below described parcel lying between a lower horizontal plane drawn at

Ex.A-2

elevation 512 feet 2 inches above the datum level used by the Topographical Bureau, Borough of Manhattan, which is 2 feet 9 inches above National Geodetic Survey Vertical Datum of 1929, mean sea level, Sandy Hook, New Jersey and an upper horizontal plane drawn at 809 feet 2 inches above such datum level, bounded and described as follows:

BEGINNING at a point distant 48 feet 8 inches north of the northerly line of East 58th Street and 30 feet 9 inches East of easterly line of Lexington Avenue:

RUNNING THENCE northerly parallel with easterly line of Lexington Avenue, 12 feet 6 inches;

THENCE westerly parallel with the northerly line of East 58th Street, 5 feet 10 feet;

THENCE northerly parallel with the easterly line of Lexington Avenue, 78 feet 6 inches;

THENCE easterly parallel with the northerly line of East 58th Street, 5 feet 10 inches;

THENCE northerly parallel with the easterly line of Lexington Avenue, 12 feet 6 inches;

THENCE easterly parallel with the northerly line of East 58th Street, 103 feet 6 feet;

THENCE southerly parallel with the easterly line of Lexington Avenue, 7 feet 6 inches;

THENCE easterly parallel with the northerly line of East 58th Street, 35 feet 0 inches;

THENCE southerly parallel with the easterly line of Lexington Avenue, 88 feet 6 inches;

THENCE westerly parallel with the northerly line of East 58th Street, 35 feet 0 inches;

THENCE southerly parallel with the easterly line of Lexington Avenue, 7 feet 6 inches;

THENCE westerly parallel with the northerly line of East 58th Street, 103 feet 6 inches to the point or place of BEGINNING.

TOGETHER with an undivided 49.0559% and 14.0095% interests, respectively, in the Common Elements of the Property as described in the Declaration (hereinafter called the "Common Elements") recorded as CRFN 2004000064392.

EXHIBIT B

Secondary Market Transaction Information

- (A) Any proposed program for the renovation, improvement or development of the Property, or any part thereof, including the estimated cost thereof and the method of financing to be used.
- (B) Occupancy rate expressed as a percentage for each of the last five (5) Fiscal Years.
- (C) Number of Tenants occupying ten percent (10%) or more of the total rentable square footage of the Property and, to Borrower's knowledge, the principal nature of business of such Tenant, and the principal provisions of the leases with those Tenants including, but not limited to: rental per annum, expiration date, and renewal options.
- (D) The average effective annual rental per square foot or unit for each of the last three years prior to the date of filing.
- (E) Schedule of the lease expirations for each of the ten years starting with the year in which the registration statement is filed (or the year in which the prospectus supplement is dated, as applicable), stating:
 - (1) The number of Tenants whose leases will expire.
 - (2) The total area in square feet covered by such leases.
 - (3) The annual rental represented by such leases.
 - (4) The percentage of gross annual rental represented by such leases.

EXHIBIT C

**Form of Alteration Deficiency Guaranty
(Attached)**

FORM OF ALTERATION DEFICIENCY GUARANTY

This **ALTERATION DEFICIENCY GUARANTY** (this "**Guaranty**") is executed as of [_____] by [_____] , a Delaware corporation, having an address at 888 Seventh Avenue, New York, New York 10106 (together with their respective successors and/or assigns, "**Guarantor**"), for the benefit of **GERMAN AMERICAN CAPITAL CORPORATION**, a Maryland corporation, having an address at 60 Wall Street, 10th Floor, New York, New York 10005 (together with its successors and/or assigns, "**Lender**").

WITNESSETH:

A. Pursuant to that certain Consolidated, Amended and Restated Promissory Note, dated as of [_____] , executed by 731 OFFICE ONE LLC, a Delaware limited liability company (collectively, jointly and severally, "**Borrower**") and payable to the order of Lender in the original principal amount of Three Hundred Million and No/100 Dollars (\$300,000,000) (together with all renewals, modifications, increases and extensions thereof, the "**Note**"), Borrower has become indebted, and may from time to time be further indebted, to Lender with respect to a loan (the "**Loan**") which is made pursuant to that certain Loan Agreement, dated as of [_____] , between Borrower and Lender (as the same may be amended, modified, supplemented, replaced or otherwise modified from time to time, the "**Loan Agreement**"). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Loan Agreement.

B. Borrower wishes to undertake Alterations that under the Loan Agreement require the delivery of either cash and cash equivalents, a Letter of Credit and/or an Alteration Deficiency Guaranty and, in connection therewith, Guarantor has agreed to execute and deliver this Guaranty; and

C. Guarantor is the owner of direct or indirect interests in Borrower, and Guarantor will directly benefit from Lender's making the Loan to Borrower and the provisions of the Loan Agreement that permit Borrower to undertake certain Alterations upon the provision of this Guaranty.

NOW, THEREFORE, as an inducement to Lender to make the Loan to Borrower and to extend such additional credit as Lender may from time to time agree to extend under the Loan Documents, and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

**ARTICLE 1
NATURE AND SCOPE OF GUARANTY**

Section 1.1 Guaranty of Obligation. So long as the Loan shall be outstanding and Borrower is "borrower" thereunder, Guarantor hereby irrevocably and unconditionally guarantees to Lender and its successors and assigns the payment of all costs in respect of the Project (as defined below) in a maximum amount equal to the lesser of (a) [\$ _____] which amount represents the Alteration Deficiency (as defined in the Loan Agreement) as of the date hereof with respect to the Project, and (b) the Alteration Deficiency with respect to the Project from time to time (the obligation pursuant to the above provisions of this sentence, the

“Guaranteed Obligations”). Guarantor hereby irrevocably and unconditionally covenants and agrees that it is liable for the Guaranteed Obligations as a primary obligor.

Section 1.2 The Project.

(a) Attached hereto as Annex A is a description of the Alteration(s) that is the subject of this Guaranty (subject to Section 1.2(b), the **“Project”**).

(b) The Alterations comprising the Project, and accordingly, the term “Project” as used herein, shall be deemed modified hereunder as Borrower modifies such Alterations (including any increase or decrease in the scope thereof) in accordance with the terms of the Loan Agreement.

Section 1.3 Reduction or Termination of Guaranty.

(a) At Guarantor’s or Borrower’s request made from time to time, Lender shall execute and deliver acknowledgements of any reduction of the Alteration Deficiency (and consequently, the maximum amount of the Guaranteed Obligations) and/or the termination of this Guaranty, in each case in accordance with the terms of Section 4.12.2 of the Loan Agreement, such acknowledgment to be in form and substance reasonably satisfactory to Guarantor, Borrower and Lender, provided that Lender’s failure to do so shall not adversely affect such reduction or termination, as applicable, in the manner provided for in the Loan Agreement.

(b) Guarantor or Borrower may obtain the termination of this Guaranty with respect to the Project in exchange for the delivery by Guarantor or Borrower to Lender of collateral consisting of a Letter of Credit in the amount of the Alteration Deficiency at the time in question, and upon the delivery of such collateral, this Guaranty shall terminate, subject only to the provisions of Sections 1.9 hereof. In the event of any dispute between Lender and Guarantor concerning the required amount of such collateral, then either party may submit the matter to arbitration in accordance with the procedure described in Section 1.3(c). Prior to the resolution of such arbitration, Guarantor or Borrower may (but shall not be obligated to) deliver (i) to Lender such collateral in the amount proposed by Guarantor and (ii) to a nationally recognized title company acting as escrow agent pursuant to an Alteration Escrow Agreement (as defined below) such collateral in the amount of the excess of the collateral proposed by the Lender over the amount proposed by Guarantor. The **“Alteration Escrow Agreement”** shall be an escrow agreement in customary form and otherwise in form and substance reasonably acceptable to both Guarantor and Lender, pursuant to which the escrow agent shall deliver the escrowed amount in accordance with the joint instructions of Guarantor and Lender or the order of the Independent Expert (as defined below) pursuant to Section 1.3(c). Upon delivery of the collateral and escrow in accordance with the immediately preceding sentence prior to the arbitration determination, or upon delivery of collateral in the amount ultimately determined by the arbitration, this Guaranty shall be deemed terminated, subject to Sections 1.9 hereof.

(c) If Lender and Guarantor shall disagree regarding the amount of the Alteration Deficiency and related collateral under Section 1.3(b), then either party may submit the matter to arbitration under this Section 1.3(c), which the parties agree shall be the exclusive means of

resolving such dispute and binding upon the parties. Within fifteen (15) days after notice from either party, Lender and Guarantor shall jointly appoint an Independent Expert. In the event Lender and Guarantor are unable to agree upon the appointment of an Independent Expert within the time period described above, then either party may apply to the American Arbitration Association (or its successors) to make the appointment of an Independent Expert meeting the requirements hereinafter set forth. For purposes of this Guaranty "**Independent Expert**" shall mean an expert jointly appointed by Lender and Guarantor or an expert appointed by the American Arbitration Association (or its successors), which Independent Expert shall have at least ten (10) years' experience in construction related matters in New York, New York, shall be impartial, shall not be an employee, agent, former employee, affiliate or employee of an affiliate, or officer, trustee, director, member or manager of any of Borrower, Guarantor, Lender or any of its affiliates, shall not be engaged in any litigation against Guarantor or Lender and shall not otherwise be aware of any conflict of interest between such expert and Guarantor or Lender. Within the ten (10) day period after the appointment of such Independent Expert, the Independent Expert shall hold a meeting with each of Lender and Guarantor in attendance at which each such party shall be permitted to present evidence with respect to, and its calculations of, the Alteration Deficiency according to rules and procedures established by the Independent Expert and which rules and procedures shall be designed to meet the time deadlines described herein, provided that in all events the Independent Expert may choose only between the Alteration Deficiency figure proposed by Lender and the Alteration Deficiency figure proposed by Guarantor. Within thirty (30) days of the appointment of such Independent Expert, the Independent Expert shall deliver to Lender and Guarantor at their respective addresses set forth below by prepaid postage sent registered or certified mail, return receipt requested its determination of the Alteration Deficiency (the "**Independent Alteration Deficiency Amount**"). The Independent Alteration Deficiency Amount so determined by the Independent Expert shall be binding on Guarantor on the one hand and Lender on the other hand, and may be entered as a judgment. The Independent Expert shall be sworn to fairly and impartially perform its duties as such expert. The fees and expenses of the Independent Expert shall be the sole obligation of Borrower. Each party shall be responsible for the fees and expenses of its own experts, attorneys and other representatives. In rendering his decision, the Independent Expert shall have no power to modify or reform any of the provisions of this Guaranty or the other Loan Documents.

(d) To the extent any provision of Sections 1.1, 1.2 and 1.3, on the one hand, is inconsistent with the Loan Agreement or the other provisions of this Guaranty, on the other hand, the former shall govern.

Section 1.4 Nature of Guaranty. This Guaranty is an irrevocable, absolute, continuing guaranty of payment and not a guaranty of collection. This Guaranty may not be revoked by Guarantor and shall continue to be effective with respect to any Guaranteed Obligations arising or created after any attempted revocation by Guarantor and after (if Guarantor is a natural person) Guarantor's death (in which event this Guaranty shall be binding upon Guarantor's estate and Guarantor's legal representatives and heirs). The fact that at any time or from time to time the Guaranteed Obligations may be increased or reduced shall not release or discharge the obligation of Guarantor to Lender with respect to the Guaranteed Obligations. This Guaranty may be enforced by Lender and any subsequent holder of the Note and shall not be discharged by the assignment or negotiation of all or part of the Note.

Section 1.5 Guaranteed Obligations Not Reduced by Offset. The Guaranteed Obligations and the liabilities and obligations of Guarantor to Lender hereunder shall not be reduced, discharged or released because or by reason of any existing or future offset, claim or defense of Borrower or any other party against Lender or against payment of the Guaranteed Obligations, whether such offset, claim or defense arises in connection with the Guaranteed Obligations (or the transactions creating the Guaranteed Obligations) or otherwise.

Section 1.6 Payment By Guarantor. If all or any part of the Guaranteed Obligations shall not be punctually paid when due, whether at demand, maturity, acceleration or otherwise, Guarantor shall, immediately upon demand by Lender and, other than as expressly provided in the Loan Documents, without presentment, protest, notice of protest, notice of non-payment, notice of intention to accelerate the maturity, notice of acceleration of the maturity or any other notice whatsoever, all such notices being hereby waived by Guarantor, pay in lawful money of the United States of America, the amount due on the Guaranteed Obligations to Lender at Lender's address as set forth herein. Such demand(s) may be made at any time coincident with or after the time for payment of all or part of the Guaranteed Obligations and may be made from time to time with respect to the same or different items of Guaranteed Obligations. Such demand shall be deemed made, given and received in accordance with the notice provisions hereof.

Section 1.7 No Duty To Pursue Others. It shall not be necessary for Lender (and Guarantor hereby waives any rights which Guarantor may have to require Lender), in order to enforce the obligations of Guarantor hereunder, first to (i) institute suit or exhaust its remedies against Borrower or others liable on the Loan or the Guaranteed Obligations or any other Person, (ii) enforce Lender's rights against any collateral which shall ever have been given to secure the Loan, (iii) enforce Lender's rights against any other guarantors of the Guaranteed Obligations, (iv) join Borrower or any others liable on the Guaranteed Obligations in any action seeking to enforce this Guaranty, (v) exhaust any remedies available to Lender against any collateral which shall ever have been given to secure the Loan, or (vi) resort to any other means of obtaining payment of the Guaranteed Obligations. Lender shall not be required to mitigate damages or take any other action to reduce, collect or enforce the Guaranteed Obligations.

Section 1.8 Waivers. Guarantor agrees to the provisions of the Loan Documents and hereby waives notice of (i) any loans or advances made by Lender to Borrower, (ii) acceptance of this Guaranty, (iii) any amendment or extension of the Note, the Mortgage, the Loan Agreement or any other Loan Document, (iv) the execution and delivery by Borrower and Lender of any other loan or credit agreement or of Borrower's execution and delivery of any promissory note or other document arising under the Loan Documents or in connection with the Property, (v) the occurrence of (A) any breach by Borrower of any of the terms or conditions of the Loan Agreement or any of the other Loan Documents, or (B) an Event of Default, (vi) Lender's transfer or disposition of the Guaranteed Obligations, or any part thereof, (vii) the sale or foreclosure (or the posting or advertising for the sale or foreclosure) of any collateral for the Guaranteed Obligations, (viii) protest, proof of non-payment or default by Borrower, or (ix) any other action at any time taken or omitted by Lender and, generally, except as expressly provided in the Loan Documents, all demands and notices of every kind in connection with this Guaranty, the Loan Documents, any documents or agreements evidencing, securing or relating to any of the Guaranteed Obligations and/or the obligations hereby guaranteed.

Section 1.9 Payment of Expenses. In the event that Guarantor shall breach or fail to timely perform any provisions of this Guaranty, Guarantor shall, immediately within five (5) Business Days following demand by Lender, pay Lender all costs and expenses (including court costs and reasonable attorneys' fees) incurred by Lender in the enforcement hereof, together with interest thereon at the Default Rate from the date due, but without duplication of any such costs or expenses actually paid by Borrower. The covenant contained in this Section shall survive the payment and performance of the Guaranteed Obligations.

Section 1.10 Effect of Bankruptcy. In the event that pursuant to any insolvency, bankruptcy, reorganization, receivership or other debtor relief law or any judgment, order or decision thereunder, Lender must rescind or restore any payment or any part thereof received by Lender in satisfaction of the Guaranteed Obligations, as set forth herein, any prior release or discharge from the terms of this Guaranty given to Guarantor by Lender shall be without effect and this Guaranty shall remain (or shall be reinstated to be) in full force and effect. It is the intention of Borrower and Guarantor that Guarantor's obligations hereunder shall not be discharged except by Guarantor's performance of such obligations and then only to the extent of such performance.

Section 1.11 Waiver of Subrogation, Reimbursements and Contribution. Notwithstanding anything to the contrary contained in this Guaranty, Guarantor hereby unconditionally and irrevocably waives, releases and abrogates any and all rights it may now or hereafter have under any agreement, at law or in equity (including, without limitation, any law subrogating Guarantor to the rights of Lender), to assert any claim against or seek contribution, indemnification or any other form of reimbursement from Borrower or any other party liable for the payment of any or all of the Guaranteed Obligations for any payment made by Guarantor under or in connection with this Guaranty or otherwise (it being understood that any such right, claim, remedy or benefit of Guarantor shall be available to it following the repayment in full of the Loan).

Section 1.12 Termination. This Guaranty shall terminate and be of no further force and effect upon the date which is ninety-one (91) days subsequent to the earlier of the date on which (x) the Loan has been paid and satisfied in full or (y) the Lien of the Mortgage has been released in accordance with the terms of the Loan Agreement and the other Loan Documents; provided, however, that Guarantor's liability hereunder shall survive such termination with respect to any and all Guaranteed Obligations related to or arising from acts, events or circumstances which occurred prior to such date. Upon such termination, at the request of Guarantor, Lender shall deliver a written statement confirming the termination of this Guaranty, subject to and in accordance with this Paragraph 1.12. Notwithstanding anything to the contrary contained herein, Guarantor shall not have any liability hereunder with respect to any acts, events or circumstances first arising after the date on which Lender or its agent, representative, designee or purchaser acquires title to the Property, whether through foreclosure, private power of sale or the delivery of a deed-in-lieu of foreclosure.

ARTICLE 2
EVENTS AND CIRCUMSTANCES NOT REDUCING
OR DISCHARGING GUARANTOR'S OBLIGATIONS

Guarantor hereby consents and agrees to each of the following and agrees that Guarantor's obligations under this Guaranty shall not be released, diminished, impaired, reduced or adversely affected by any of the following and waives any common law, equitable, statutory or other rights (including, without limitation, rights to notice) which Guarantor might otherwise have as a result of or in connection with any of the following:

Section 2.1 Modifications. Any renewal, extension, increase, modification, alteration or rearrangement of all or any part of the Guaranteed Obligations, the Note, the Mortgage, the Loan Agreement, the other Loan Documents or any other document, instrument, contract or understanding between Borrower and Lender or any other parties pertaining to the Guaranteed Obligations or any failure of Lender to notify Guarantor of any such action.

Section 2.2 Adjustment. Any adjustment, indulgence, forbearance or compromise that might be granted or given by Lender to Borrower or Guarantor, except to the extent of such adjustment, indulgence, forbearance or compromise, as applicable.

Section 2.3 Condition of Borrower or Guarantor. The insolvency, bankruptcy, arrangement, adjustment, composition, liquidation, disability, dissolution or lack of power of Borrower, Guarantor or any other Person at any time liable for the payment of all or part of the Guaranteed Obligations; or any dissolution of Borrower or Guarantor or any sale, lease or transfer of any or all of the assets of Borrower or Guarantor or any changes in the direct or indirect shareholders, partners or members, as applicable, of Borrower or Guarantor; or any reorganization of Borrower or Guarantor.

Section 2.4 Invalidity of Guaranteed Obligations. The invalidity, illegality or unenforceability of all or any part of the Guaranteed Obligations or any document or agreement executed in connection with the Guaranteed Obligations for any reason whatsoever, including, without limitation, the fact that (i) the Guaranteed Obligations or any part thereof exceeds the amount permitted by law, (ii) the act of creating the Guaranteed Obligations or any part thereof is ultra vires, (iii) the officers or representatives executing the Note, the Mortgage, the Loan Agreement or the other Loan Documents or otherwise creating the Guaranteed Obligations acted in excess of their authority, (iv) the Guaranteed Obligations violate applicable usury laws, (v) the Borrower had valid defenses, claims or offsets, whether at law, in equity or by agreement (other than the defense of payment of the Guaranteed Obligations), which render the Guaranteed Obligations wholly or partially uncollectible from Borrower, (vi) the creation, performance or repayment of the Guaranteed Obligations (or the execution, delivery and performance of any document or instrument representing part of the Guaranteed Obligations or executed in connection with the Guaranteed Obligations or given to secure the repayment of the Guaranteed Obligations) is illegal, uncollectible or unenforceable, or (vii) the Note, the Mortgage, the Loan Agreement or any of the other Loan Documents have been forged or otherwise are irregular or not genuine or authentic, it being agreed that Guarantor shall remain liable hereon regardless of whether Borrower or any other Person be found not liable on the Guaranteed Obligations or any part thereof for any reason.

Section 2.5 Release of Obligors. Any full or partial release of the liability of Borrower for the Guaranteed Obligations or any part thereof, or of any co-guarantors, or of any other Person now or hereafter liable, whether directly or indirectly, jointly, severally, or jointly and severally, to pay, perform, guarantee or assure the payment of the Guaranteed Obligations, or any part thereof, it being recognized, acknowledged and agreed by Guarantor that Guarantor may be required to pay the Guaranteed Obligations in full without assistance or support from any other Person, and Guarantor has not been induced to enter into this Guaranty on the basis of a contemplation, belief, understanding or agreement that other Persons (including Borrower) will be liable to pay or perform the Guaranteed Obligations or that Lender will look to other Persons (including Borrower) to pay or perform the Guaranteed Obligations.

Section 2.6 Other Collateral. The taking or accepting of any other security, collateral or guaranty, or other assurance of payment, for all or any part of the Guaranteed Obligations.

Section 2.7 Release of Collateral. Any release, surrender, exchange, subordination, deterioration, waste, loss or impairment (including, without limitation, negligent, willful, unreasonable or unjustifiable impairment) of any collateral, property or security at any time existing in connection with, or assuring or securing payment of, all or any part of the Guaranteed Obligations.

Section 2.8 Care and Diligence. The failure of Lender or any other party to exercise diligence or reasonable care in the preservation, protection, enforcement, sale or other handling or treatment of all or any part of any collateral, property or security, including, but not limited to, any neglect, delay, omission, failure or refusal of Lender (i) to take or prosecute any action for the collection of any of the Guaranteed Obligations, or (ii) to foreclose, or initiate any action to foreclose, or, once commenced, prosecute to completion any action to foreclose upon any security therefor, or (iii) to take or prosecute any action in connection with any instrument or agreement evidencing or securing all or any part of the Guaranteed Obligations.

Section 2.9 Unenforceability. The fact that any collateral, security, security interest or lien contemplated or intended to be given, created or granted as security for the repayment of the Guaranteed Obligations, or any part thereof, shall not be properly perfected or created, or shall prove to be unenforceable or subordinate to any other security interest or lien, it being recognized and agreed by Guarantor that Guarantor is not entering into this Guaranty in reliance on, or in contemplation of the benefits of, the validity, enforceability, collectibility or value of any of the collateral for the Guaranteed Obligations.

Section 2.10 Offset. Any existing or future right of offset, claim or defense (other than the defense of payment of the Guaranteed Obligations) of Borrower against Lender, or any other party, or against payment of the Guaranteed Obligations, whether such right of offset, claim or defense arises in connection with the Guaranteed Obligations (or the transactions creating the Guaranteed Obligations) or otherwise.

Section 2.11 Merger. The reorganization, merger or consolidation of Borrower or Guarantor into or with any other Person.

Section 2.12. Preference. Any payment by Borrower to Lender is held to constitute a preference under bankruptcy laws or for any reason Lender is required to refund such payment or pay such amount to Borrower or to any other Person.

Section 2.13 Other Actions Taken or Omitted. Any other action taken or omitted to be taken with respect to the Loan Documents, the Guaranteed Obligations or the security and collateral therefor (other than actions or omissions expressly agreed to in writing by Lender), whether or not such action or omission prejudices Guarantor or increases the likelihood that Guarantor will be required to pay the Guaranteed Obligations pursuant to the terms hereof, it being the unambiguous and unequivocal intention of Guarantor that Guarantor shall be obligated to pay the Guaranteed Obligations when due, notwithstanding any occurrence, circumstance, event, action or omission whatsoever, whether contemplated or un contemplated, and whether or not otherwise or particularly described herein (other than actions or omissions expressly agreed to in writing by Lender), which obligation shall be deemed satisfied only upon the full and final payment and satisfaction of the Guaranteed Obligations.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

To induce Lender to enter into the Loan Documents and to extend credit to Borrower, Guarantor represents and warrants to Lender as follows:

Section 3.1 Benefit. Guarantor is an Affiliate of Borrower, is the owner of a direct or indirect interest in Borrower and has received, or will receive, direct or indirect benefit from the making of this Guaranty with respect to the Guaranteed Obligations.

Section 3.2 Familiarity and Reliance. Guarantor is familiar with, and has independently reviewed books and records regarding, the financial condition of Borrower and is familiar with the value of any and all collateral intended to be created as security for the payment of the Note or Guaranteed Obligations; however, Guarantor is not relying on such financial condition or the collateral as an inducement to enter into this Guaranty.

Section 3.3 No Representation By Lender. Neither Lender nor any other party has made any representation, warranty or statement to Guarantor in order to induce Guarantor to execute this Guaranty.

Section 3.4 Guarantor's Financial Condition. As of the date hereof, and after giving effect to this Guaranty and the contingent obligation evidenced hereby, Guarantor (a) is and will be solvent, (b) has and will have assets which, fairly valued, exceed its obligations, liabilities (including contingent liabilities) and debts, and (c) has and will have property and assets sufficient to satisfy and repay its obligations and liabilities, including the Guaranteed Obligations.

Section 3.5 Legality. The execution, delivery and performance by Guarantor of this Guaranty and the consummation of the transactions contemplated hereunder do not and will not contravene or conflict with any law, statute or regulation whatsoever to which Guarantor is subject, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under, or result in the breach of, any indenture, mortgage, charge, lien,

contract, agreement or other instrument to which Guarantor is a party or which may be applicable to Guarantor. This Guaranty is a legal and binding obligation of Guarantor and is enforceable against Guarantor in accordance with its terms, except as limited by bankruptcy, insolvency or other laws of general application relating to the enforcement of creditors' rights.

Section 3.6 Litigation. There is no action, suit, proceeding or investigation pending or, to Guarantor's knowledge, threatened against Guarantor in any court or by or before any other Governmental Authority, or labor controversy affecting Guarantor or any of its properties, businesses, assets or revenues, which would reasonably be expected to (i) materially and adversely affect the ability of Guarantor to pay and perform its obligations under this Guaranty or (ii) materially and adversely affect the financial condition of Guarantor.

Section 3.7 Survival. All representations and warranties made by Guarantor herein shall survive the execution hereof.

ARTICLE 4

SUBORDINATION OF CERTAIN INDEBTEDNESS

Section 4.1 Subordination of All Guarantor Claims. As used herein, the term "Guarantor Claims" shall mean all debts and liabilities of Borrower to Guarantor, whether such debts and liabilities now exist or are hereafter incurred or arise, and whether the obligations of Borrower thereon be direct, contingent, primary, secondary, several, joint and several, or otherwise, and irrespective of whether such debts or liabilities be evidenced by note, contract, open account, or otherwise, and irrespective of the Person or Persons in whose favor such debts or liabilities may, at their inception, have been, or may hereafter be, created, or the manner in which they have been, or may hereafter be, acquired by Guarantor. The Guarantor Claims shall include, without limitation, all rights and claims of Guarantor against Borrower (arising as a result of subrogation or otherwise) as a result of Guarantor's payment of all or a portion of the Guaranteed Obligations. So long as an Event of Default shall have occurred and be continuing, Guarantor shall not receive or collect, directly or indirectly, from Borrower or any other Person any amount upon the Guarantor Claims.

Section 4.2 Claims in Bankruptcy. In the event of any receivership, bankruptcy, reorganization, arrangement, debtor's relief or other insolvency proceeding involving Guarantor as a debtor, Lender shall have the right to prove its claim in any such proceeding so as to establish its rights hereunder and receive directly from the receiver, trustee or other court custodian dividends and payments which would otherwise be payable upon Guarantor Claims. Guarantor hereby assigns such dividends and payments to Lender. Should Lender receive, for application against the Guaranteed Obligations, any dividend or payment which is otherwise payable to Guarantor and which, as between Borrower and Guarantor, shall constitute a credit against the Guarantor Claims, then, upon payment to Lender in full of the Obligations and the Guaranteed Obligations, Guarantor shall become subrogated to the rights of Lender to the extent that such payments to Lender on the Guarantor Claims have contributed toward the liquidation of the Guaranteed Obligations, and such subrogation shall be with respect to that proportion of the Guaranteed Obligations which would have been unpaid if Lender had not received dividends or payments upon the Guarantor Claims.

Section 4.3 Payments Held in Trust. Notwithstanding anything to the contrary contained in this Guaranty, in the event that Guarantor should receive any funds, payments, claims and/or distributions which are prohibited by this Guaranty, Guarantor agrees to hold in trust for Lender an amount equal to the amount of all funds, payments, claims and/or distributions so received, and agrees that it shall have absolutely no dominion over the amount of such funds, payments, claims and/or distributions so received except to pay such funds, payments, claims and/or distributions promptly to Lender, and Guarantor covenants promptly to pay the same to Lender.

Section 4.4 Liens Subordinate. Guarantor agrees that any liens, security interests, judgment liens, charges or other encumbrances upon Borrower's assets securing payment of the Guarantor Claims shall be and remain inferior and subordinate to any liens, security interests, judgment liens, charges or other encumbrances upon Borrower's assets securing payment of the Guaranteed Obligations, regardless of whether such encumbrances in favor of Guarantor or Lender presently exist or are hereafter created or attach. Without the prior written consent of Lender, Guarantor shall not (i) exercise or enforce any creditor's rights it may have against Borrower, or (ii) foreclose, repossess, sequester or otherwise take steps or institute any action or proceedings (judicial or otherwise, including, without limitation, the commencement of, or the joinder in, any liquidation, bankruptcy, rearrangement, debtor's relief or insolvency proceeding) to enforce any liens, mortgages, deeds of trust, security interests, collateral rights, judgments or other encumbrances on the assets of Borrower held by Guarantor. The foregoing shall in no manner vitiate or amend, nor be deemed to vitiate or amend, any prohibition in the Loan Documents against Borrower granting liens or security interests in any of its assets to any Person other than Lender.

ARTICLE 5

INTENTIONALLY OMITTED

ARTICLE 6

MISCELLANEOUS

Section 6.1 Waiver. No failure to exercise, and no delay in exercising, on the part of Lender, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right. The rights of Lender hereunder shall be in addition to all other rights provided by law. No modification or waiver of any provision of this Guaranty, nor any consent to any departure therefrom, shall be effective unless in writing and no such consent or waiver shall extend beyond the particular case and purpose involved. No notice or demand given in any case shall constitute a waiver of the right to take other action in the same, similar or other instances without such notice or demand.

Section 6.2 Notices. All notices, demands, requests, consents, approvals or other communications (any of the foregoing, a "**Notice**") required, permitted or desired to be given hereunder shall be in writing and shall be sent by telefax (with answer back acknowledged) or by registered or certified mail, postage prepaid, return receipt requested, or delivered by hand or by reputable overnight courier, addressed to the party to be so notified at its address hereinafter set forth, or to such other address as such party may hereafter specify in accordance with the

provisions of this Section 6.2. Any Notice shall be deemed to have been received: (a) three (3) days after the date such Notice is mailed, (b) on the date of sending by telefax if sent during business hours on a Business Day (otherwise on the next Business Day), (c) on the date of delivery by hand if delivered during business hours on a Business Day (otherwise on the next Business Day), and (d) on the next Business Day if sent by an overnight commercial courier, in each case addressed to the parties as follows:

If to Lender: German American Capital Corporation
60 Wall Street, 10th Floor
New York, New York 10005
Attention: Robert W. Pettinato, Jr.
Facsimile No. (212) 797-4489

and to: German American Capital Corporation
60 Wall Street, 10th Floor
New York, New York 10005
Attention: General Counsel
Facsimile No. (646)736-5721

with a copy to: Sidley Austin LLP
1 South Dearborn Street
Chicago, Illinois 60603
Attention: Charles E. Schrank, Esq.
Facsimile No. (312) 853-7036

If to Guarantor: _____

Facsimile No.: [_____]

with a copy to: Vornado Realty Trust
888 Seventh Avenue
New York, New York 10106
Attention: Corporation Counsel
Facsimile No.: (212) 894-7996

with a copy to: Vornado Realty Trust
888 Seventh Avenue
New York, New York 10106
Attention: Executive Vice President: Capital Markets
Facsimile No.: (212) 894-7073

with a copy to: Sullivan & Cromwell LLP
125 Broad Street
New York, New York 10004
Attention: Arthur S. Adler, Esq.
Facsimile No.: (212) 291-9001

Any party may change the address to which any such Notice is to be delivered by furnishing ten (10) days' written notice of such change to the other parties in accordance with the provisions of this Section 6.2. Notices shall be deemed to have been given on the date set forth above, even if there is an inability to actually deliver any Notice because of a changed address of which no Notice was given or there is a rejection or refusal to accept any Notice offered for delivery. Notice for any party may be given by its respective counsel. Additionally, Notice from Lender may also be given by Servicer.

Section 6.3 Governing Law; Jurisdiction; Service of Process. (a) THIS GUARANTY WAS NEGOTIATED IN THE STATE OF NEW YORK, AND MADE BY GUARANTOR AND ACCEPTED BY LENDER IN THE STATE OF NEW YORK, AND THE PROCEEDS OF THE NOTE WERE DISBURSED FROM THE STATE OF NEW YORK, WHICH STATE THE PARTIES AGREE HAS A SUBSTANTIAL RELATIONSHIP TO THE PARTIES AND TO THE UNDERLYING TRANSACTION RELATED HERETO, AND IN ALL RESPECTS, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS GUARANTY AND THE OBLIGATIONS ARISING HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED IN SUCH STATE (WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS) AND ANY APPLICABLE LAW OF THE UNITED STATES OF AMERICA. TO THE FULLEST EXTENT PERMITTED BY LAW, GUARANTOR AND, BY ITS ACCEPTANCE HEREOF, LENDER EACH HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY CLAIM TO ASSERT THAT THE LAW OF ANY OTHER JURISDICTION GOVERNS THIS GUARANTY AND/OR THE OTHER LOAN DOCUMENTS, AND THIS GUARANTY AND THE OTHER LOAN DOCUMENTS SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK PURSUANT TO SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW.

(b) ANY LEGAL SUIT, ACTION OR PROCEEDING AGAINST LENDER OR GUARANTOR ARISING OUT OF OR RELATING TO THIS GUARANTY MAY BE INSTITUTED IN ANY FEDERAL OR STATE COURT IN THE CITY OF NEW YORK, COUNTY OF NEW YORK, PURSUANT TO SECTION 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW, AND GUARANTOR AND, BY ITS ACCEPTANCE HEREOF, LENDER EACH WAIVES ANY OBJECTIONS WHICH IT MAY NOW OR HEREAFTER HAVE BASED ON VENUE AND/OR FORUM NON CONVENIENS OF ANY SUCH SUIT, ACTION OR PROCEEDING, AND GUARANTOR AND, BY ITS ACCEPTANCE HEREOF, LENDER EACH HEREBY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF ANY SUCH COURT IN ANY SUIT, ACTION OR PROCEEDING. GUARANTOR AGREES THAT SERVICE OF PROCESS UPON GUARANTOR AT THE ADDRESS FOR GUARANTOR SET FORTH HEREIN AND

WRITTEN NOTICE OF SAID SERVICE MAILED OR DELIVERED TO GUARANTOR IN THE MANNER PROVIDED HEREIN SHALL BE DEEMED IN EVERY RESPECT EFFECTIVE SERVICE OF PROCESS UPON GUARANTOR IN ANY SUCH SUIT, ACTION OR PROCEEDING IN THE STATE OF NEW YORK. GUARANTOR (I) SHALL GIVE PROMPT NOTICE TO LENDER OF ANY CHANGE IN THE ADDRESS FOR GUARANTOR SET FORTH HEREIN, (II) MAY AT ANY TIME AND FROM TIME TO TIME DESIGNATE AN AUTHORIZED AGENT WITH AN OFFICE IN NEW YORK, NEW YORK (WHICH AGENT AND OFFICE SHALL BE DESIGNATED AS THE PERSON AND ADDRESS FOR SERVICE OF PROCESS AND WHICH SUBSTITUTE AGENT SHALL BE THE SAME AGENT DESIGNATED BY BORROWER UNDER THE LOAN AGREEMENT), AND (III) SHALL PROMPTLY DESIGNATE AN AUTHORIZED AGENT IF GUARANTOR CEASES TO HAVE AN OFFICE IN NEW YORK, NEW YORK. NOTHING CONTAINED HEREIN SHALL AFFECT THE RIGHT OF LENDER TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST GUARANTOR IN ANY OTHER JURISDICTION.

Section 6.4 Invalid Provisions. If any provision of this Guaranty is held to be illegal, invalid, or unenforceable under present or future laws effective during the term of this Guaranty, such provision shall be fully severable and this Guaranty shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Guaranty, and the remaining provisions of this Guaranty shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Guaranty, unless such continued effectiveness of this Guaranty, as modified, would be contrary to the basic understandings and intentions of the parties as expressed herein.

Section 6.5 Amendments. This Guaranty may be amended only by an instrument in writing executed by the party(ies) against whom such amendment is sought to be enforced.

Section 6.6 Parties Bound; Assignment. This Guaranty shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors, permitted assigns, heirs and legal representatives. Lender shall have the right to assign or transfer its rights under this Guaranty in connection with any assignment of the Loan and the Loan Documents that is permitted under the Loan Documents. Any permitted assignee or transferee of Lender shall be entitled to all the benefits afforded to Lender under this Guaranty. Guarantor shall not have the right to assign or transfer its rights or obligations under this Guaranty without the prior written consent of Lender, and any attempted assignment without such consent shall be null and void.

Section 6.7 Headings. Section headings are for convenience of reference only and shall in no way affect the interpretation of this Guaranty.

Section 6.8 Recitals. The recitals and introductory paragraphs hereof are a part hereof, form a basis for this Guaranty and shall be considered prima facie evidence of the facts and documents referred to therein.

Section 6.9 Counterparts. To facilitate execution, this Guaranty may be executed in as many counterparts as may be convenient or required. It shall not be necessary that the signature of, or on behalf of, each party, or that the signature of all persons required to bind any

party, appear on each counterpart. All counterparts shall collectively constitute a single instrument. It shall not be necessary in making proof of this Guaranty to produce or account for more than a single counterpart containing the respective signatures of, or on behalf of, each of the parties hereto. Any signature page to any counterpart may be detached from such counterpart without impairing the legal effect of the signatures thereon and thereafter attached to another counterpart identical thereto except having attached to it additional signature pages.

Section 6.10 Rights and Remedies. If Guarantor becomes liable for any indebtedness owing by Borrower to Lender, by endorsement or otherwise, other than under this Guaranty, such liability shall not be in any manner impaired or affected hereby and the rights of Lender hereunder shall be cumulative of any and all other rights that Lender may ever have against Guarantor. The exercise by Lender of any right or remedy hereunder or under any other instrument, or at law or in equity, shall not preclude the concurrent or subsequent exercise of any other right or remedy.

Section 6.11 Entirety. THIS GUARANTY EMBODIES THE FINAL, ENTIRE AGREEMENT OF GUARANTOR AND LENDER WITH RESPECT TO GUARANTOR'S GUARANTY OF THE GUARANTEED OBLIGATIONS AND SUPERSEDES ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, RELATING TO THE SUBJECT MATTER HEREOF. THIS GUARANTY IS INTENDED BY GUARANTOR AND LENDER AS A FINAL AND COMPLETE EXPRESSION OF THE TERMS OF THE GUARANTY, AND NO COURSE OF DEALING BETWEEN GUARANTOR AND LENDER, NO COURSE OF PERFORMANCE, NO TRADE PRACTICES AND NO EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OR OTHER EXTRINSIC EVIDENCE OF ANY NATURE SHALL BE USED TO CONTRADICT, VARY, SUPPLEMENT OR MODIFY ANY TERM OF THIS GUARANTY. THERE ARE NO ORAL AGREEMENTS BETWEEN GUARANTOR AND LENDER.

Section 6.12 Waiver of Right To Trial By Jury. GUARANTOR AND, BY ITS ACCEPTANCE HEREOF, LENDER EACH HEREBY AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND WAIVES ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THIS GUARANTY, THE NOTE, THE MORTGAGE, THE LOAN AGREEMENT OR THE OTHER LOAN DOCUMENTS, OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY GUARANTOR AND LENDER AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. LENDER AND GUARANTOR ARE EACH HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY LENDER AND GUARANTOR, RESPECTIVELY.

Section 6.13 Reinstatement in Certain Circumstances. If at any time any payment of the principal of or interest under the Note or any other amount payable by Borrower under the Loan Documents is rescinded or must be otherwise restored or returned upon the insolvency,

bankruptcy or reorganization of the Borrower or otherwise, Guarantor's obligations hereunder with respect to such payment shall be reinstated as though such payment had been due but not made at such time.

Section 6.14 Gender; Number; General Definitions. Unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, (a) words used in this Guaranty may be used interchangeably in the singular or plural form, (b) any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, (c) the word "**Borrower**" shall mean "each Borrower and any subsequent owner or owners of the Property or any part thereof or interest therein", (d) the word "**Lender**" shall mean "Lender and any subsequent holder of the Note", (e) the word "**Note**" shall mean "the Note and any other evidence of indebtedness secured by the Loan Agreement", (f) the word "**Property**" shall include any portion of the Property and any interest therein, and (g) the phrases "attorneys' fees", "legal fees" and "counsel fees" shall include any and all attorneys', paralegal and law clerk fees and disbursements, including, but not limited to, fees and disbursements at the pre-trial, trial and appellate levels, incurred or paid by Lender in protecting its interest in the Property, the Leases and/or the Rents and/or in enforcing its rights hereunder.

Section 6.15 Limitation of Liability. By accepting this Guaranty, Lender hereby waives and releases all liability, and no liability shall be enforceable, against the separate constituent owners of Guarantor or the assets of such constituent owners in respect of Guarantor's obligations under this Guaranty. The foregoing waiver and release are part of the consideration for the execution and delivery of this Guaranty.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF, Guarantor has executed this Guaranty as of the day and year first above written.

GUARANTOR:

a []

By: _____
Name:
Title:

EXHIBIT D

**Form of Contribution Agreement
(Attached)**

Ex. D-1

EXHIBIT D

FORM OF CONTRIBUTION AGREEMENT

This CONTRIBUTION AGREEMENT made this [__] day of [____], 20[__] by 731 OFFICE ONE LLC (“Borrower”) and [____] (the “Parent”).

WITNESSETH:

[NOTE: INSERT APPROPRIATE CHAIN OF OWNERSHIP BASED ON WHO IS THE APPLICANT UNDER THE LETTER OF CREDIT]

WHEREAS, Parent owns a [__]% interest in [____]; and

WHEREAS, [____] owns a [____] interest in [____];

WHEREAS, [____] owns []% of the membership interest in Borrower, the owner of certain improved real property located at 731 Lexington Avenue, New York, New York (the “Property”); and

WHEREAS, German American Capital Corporation (together with its successors and/or assigns, “Lender”) has made a loan (the “Loan”) to Borrower secured by a mortgage on the Property; and

WHEREAS, Borrower is permitted to cause one or more Letters of Credit to be delivered to Lender in lieu of reserve deposits as more particularly set forth in [____] of that certain Loan Agreement between Borrower and Lender dated as of [____] (the “Loan Agreement”).

NOW, THEREFORE, in consideration of the Property and the mutual covenants herein contained, Borrower and Parent acknowledge and agree that (i) Parent has delivered those certain letters of credit described on Exhibit A hereto to Lender and may, in the future, deliver additional letters of credit to lender as and to the extent permitted by the Loan Agreement (individually each a “Letter of Credit” and collectively, “Letters of Credit”) each as additional security for the Loan; and (ii) if at any time there is a draw on any or all of the Letters of Credit in accordance with the provisions of the documents evidencing and securing the Loan, such funds shall be deemed to be a capital contribution by Parent, to [____], to [____], to Borrower.

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

[INSERT SIGNATURE BLOCKS FOR PARENT, BORROWER AND ALL INTERVENING ENTITIES RECITED ABOVE.]

Ex. D-1

EXHIBIT E

Reserved

Ex. E-1

EXHIBIT F

**Form of SNDA
(Attached)**

**SUBORDINATION, NON-DISTURBANCE,
ATTORNMEN AND ESTOPPEL**

THIS SUBORDINATION, ATTORNMEN, NON-DISTURBANCE, AND ESTOPPEL (this "Agreement") made as of this _____ day of _____, ____ among GERMAN AMERICAN CAPITAL CORPORATION, a Maryland corporation, having an address at 60 Wall Street, New York, New York 10005 (hereinafter, together with its successors and/or assigns, called "Lender"), 731 OFFICE ONE LLC, a Delaware limited liability company (hereinafter, together with its successors and/or assigns, called "Landlord"), having an address at c/o Alexander's Inc., 888 Seventh Avenue, New York, New York 10019 and BLOOMBERG L.P., a Delaware limited partnership, having an address at 731 Lexington Avenue, New York, New York 10022 (hereinafter, together with its successors and/or assigns, called "Tenant").

WITNESSETH:

WHEREAS, by an Agreement to Lease (the "Original Lease") dated April 30, 2001 between Seven Thirty One Limited Partnership (as predecessor in interest to Landlord), as landlord, and Tenant, as tenant, as amended by (i) a letter agreement, dated December 20, 2001, between Landlord and Tenant, (ii) a letter agreement, dated January 30, 2002, between Landlord and Tenant, (iii) a First Amendment of Lease, dated April 19, 2002, between Landlord and Tenant, (iv) a letter agreement, dated July 3, 2002, between Landlord and Tenant, (v) a letter agreement, dated September 30, 2002, between Landlord and Tenant, (vi) a letter agreement, dated February 5, 2003, between Landlord and Tenant, (vii) a letter agreement, dated March 14, 2003, between Landlord and Tenant, (viii) a letter agreement, dated May 22, 2003, between Landlord and Tenant, (ix) a letter agreement, dated April 14, 2003, between Landlord and Tenant, (x) a letter agreement, dated November 4, 2003, between Landlord and Tenant, (xi) a letter agreement, dated September 29, 2004, between Landlord and Tenant, (xii) three (3) letter agreements, each dated February 7, 2005, between Landlord and Tenant, (xiii) a letter agreement, dated March 8, 2005, between Landlord and Tenant and (xiv) a letter agreement, dated December 31, 2009, between Landlord and Tenant (the Original Lease, as so amended, is hereinafter the "Lease"), a memorandum of the Original Lease is dated April 30, 2001 and was recorded May 14, 2001 in the New York County Real Estate Records in Reel 3287, Page 1622, and a memorandum of the First Amendment of Lease is dated April 30, 2002 and was recorded May 29, 2002 in the New York County Real Estate Records in Reel 3527, Page 269, Landlord leased to Tenant certain premises commonly know as Office Unit 1 of the Beacon Court Condominium located at 731 Lexington Avenue, New York, New York (the "Premises") on the property described in Schedule A annexed hereto and made a part hereof (the "Property");

WHEREAS, the Property is subject to that certain Amended and Restated Declaration of Beacon Court Condominium made under the Condominium Act, dated February 8, 2005 and recorded on March 9, 2005, in the Office of the Register, The City of New York, County of New York, in CRFN 2005000139245 (together with any permitted modifications, amendments, restatements or supplements, the "Condominium Declaration");

WHEREAS, Lender is about to make a loan to Landlord (the "Loan"), which loan shall be secured by, among other things, a mortgage or deed of trust (which mortgage or deed of trust, and all amendments, renewals, increases, modifications, replacements, substitutions, extensions,

spreaders and consolidations thereof and all re-advances thereunder and addictions thereto, is referred to as the "Security Instrument") encumbering the Property and Landlord's interest in the Lease;

WHEREAS, Lender, Landlord and Tenant desire to confirm their understanding and agreement with respect to the Lease and the Security Instrument, all as more particularly set forth in Article I below;

WHEREAS, Tenant desires to make certain certifications regarding the Lease, all as more particularly set forth in Article II below;

WHEREAS, capitalized terms used and not otherwise defined herein shall have the respective meanings ascribed thereto in the Lease; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, Lender, Landlord and Tenant hereby agree and covenant as follows:

ARTICLE I: SUBORDINATION NON-DISTURBANCE AND ATTORNTMENT.

1. Tenant agrees that so long as this Agreement is in full force and effect the Lease, and all of the terms, covenants, provisions and conditions thereof is, shall be and shall at all times remain and continue to be subject and subordinate in all respects to the lien, terms, covenants, provisions and conditions of the Security Instrument and to all advances and re advances made thereunder and all sums secured thereby. This provision shall be self-operative but Tenant shall execute and deliver any additional instruments which Lender may reasonably require to effect such subordination.

2. So long as (i) Tenant is not in default (beyond any period given in the Lease to Tenant to cure such default) in the payment of rent or additional rent or in the performance or observance of any of the other terms, covenants, provisions or conditions of the Lease on Tenant's part to be performed or observed, (ii) Tenant is not in default under this Agreement (beyond any applicable notice and cure period) and (iii) the Lease is in full force and effect: (a) Tenant's possession of the Premises and Tenant's rights and privileges under the Lease, or any extensions or renewals thereof which may be effected in accordance with any option therefor which is contained in the Lease, shall not be diminished or interfered with by Lender or a Successor-Landlord (as hereinafter defined), and Tenant's occupancy of the Premises shall not be disturbed by Lender or a Successor-Landlord for any reason whatsoever during the term of the Lease or any such extensions or renewals thereof and (b) Lender will not join Tenant as a party defendant in any action or proceeding to foreclose the Security Instrument or to enforce any rights or remedies of Lender under the Security Instrument which would cut-off, destroy, impair, diminish, terminate or extinguish the Lease or Tenant's interest and estate under the Lease (except to the extent required by laws, provided, however, such joinder shall not result in the termination of the Lease, disturb Tenant's possession or use of the Premises or in any way diminish or otherwise affect the rights and privileges granted to, or inuring to the benefit of, Tenant under this Agreement).

3. (A) After notice is given by Lender to Tenant that the Security Instrument is in default and that the rentals under the Lease should be paid to Lender, Tenant will attorn to

Lender and pay to Lender, or pay in accordance with the directions of Lender, all rentals and other monies due and to become due to Landlord under the Lease or otherwise in respect of the Premises and Landlord hereby agrees that Tenant may rely on such notice from Lender, without independent inquiry.

(B) In addition, if Lender (or a Successor-Landlord) shall succeed to the rights of Landlord under the Lease through possession or foreclosure action, delivery of a deed-in-lieu thereof or otherwise, or another person purchases the Property or the portion thereof containing the Premises upon or following foreclosure of the Security Instrument or in connection with any bankruptcy case commenced by or against Landlord, then at the request of Lender (or a Successor-Landlord) or such purchaser (Lender, its nominees and designees, and such purchaser, and their respective successors and assigns, each being a "Successor-Landlord"), Tenant shall attorn to and recognize Successor-Landlord as Tenant's landlord under the Lease and shall promptly execute and deliver any instrument that Successor-Landlord may reasonably request to evidence such attornment. Upon such attornment, the Lease shall continue in full force and effect as, or as if it were, a direct lease between Successor-Landlord and Tenant upon all terms, conditions and covenants as are set forth in the Lease. If the Lease shall have terminated by operation of law or otherwise as a result of or in connection with a bankruptcy case commenced by or against Landlord or a foreclosure action or proceeding or delivery of a deed in lieu, upon request of Successor-Landlord, Tenant shall promptly execute and deliver a direct lease with Successor-Landlord which direct lease shall be on the same terms and conditions as the Lease (subject, however, to the provisions of clauses (i)-(v) of this paragraph 3(B)) and shall be effective as of the day the Lease shall have terminated as aforesaid. Notwithstanding the continuation of the Lease, the attornment of Tenant thereunder or the execution of a direct lease between Successor-Landlord and Tenant as aforesaid, Successor-Landlord shall not:

(i) be liable for any previous act or omission of any prior Landlord under the Lease except to the extent that (a) such act or omission continues from and after the date that Successor-Landlord succeeds to the interest of the prior Landlord and (b) such act or omission is not a result of an Event of Default by Tenant under the Lease;

(ii) be subject to any off-set, credit, defense or counterclaim which shall have theretofore accrued to Tenant against Landlord;

(iii) be bound by (a) any modification of the Lease entered into without Lender's consent after Tenant has, subject to the terms of Section 6 hereof, received written notice of Lender's existence, address and relation to Landlord, or (b) any previous prepayment of rent or additional rent for more than one (1) month which Tenant might have paid to Landlord other than as required by the terms of the Lease;

(iv) be bound by any obligation to make any payments to Tenant except to the extent that such obligation first arises under the Lease from and after the date that Successor-Landlord succeeds to the interest of the prior Landlord; and

(v) be bound by any obligation to perform any work or to make improvements to the Premises, except for (i) repairs and maintenance pursuant to the provisions of Articles 4, 5 and 6 of the Lease, the need for which repairs and maintenance first arises after the date upon

which Lender is entitled to possession of the Premises, (ii) repairs to the Premises or any part thereof as a result of damage by fire or other casualty pursuant to Article 10 of the Lease, but only to the extent that such repairs can be reasonably made from the net proceeds of any insurance actually made available to Lender (with the understanding, however, that (I) nothing contained in clause (ii) of this paragraph limits Tenant's rights to terminate the Lease after the occurrence of a fire or other casualty under Section 10.1(B) of the Lease, and (II) Lender shall have the right to avoid being so bound by Landlord's covenant to rebuild the Landlord Restoration Items after the occurrence of a fire or other casualty (regardless of the availability of insurance proceeds therefor) by giving notice to Tenant of the election of Lender not to so rebuild earlier than the later to occur of (X) the date that Lender is required to give the Casualty Statement for such fire or other casualty to Tenant, and (Y) the thirtieth (30th) day after the date that Lender succeeds to the interest of Landlord under the Lease), and (iii) repairs to the Premises as a result of a partial condemnation pursuant to Article 11 of the Lease, but only to the extent that such repairs can be reasonably made from the net proceeds of any award made available to Lender (with the understanding that nothing contained in clause (iii) of this paragraph shall limit Tenant's right to terminate the Lease after the occurrence of a complete or partial condemnation under Section 11.1 of the Lease).

4. Tenant agrees that without the prior written consent of Lender, it shall not (a) amend, modify, terminate or cancel the Lease or any extensions or renewals thereof, provided, that communications between Landlord and Tenant of an administrative nature relating to the ordinary course of operation or tenancy of the Premises that do not purport to be amendments or modifications of the Lease and do not materially adversely affect the rights of Landlord or Tenant, or in any way adversely affect the rights of Lender, shall not be deemed amendments or modifications for purposes of the foregoing, (b) tender a surrender of the Lease, (c) make a prepayment of any rent or additional rent more than one (1) month in advance of the due date thereof except if required by the Lease, or (d) subordinate or permit the subordination of the Lease to any lien subordinate to the Security Instrument. Any such purported action without such consent shall be void as against the holder of the Security Instrument.

5. (A) Tenant shall provide Lender with any default notices given by Tenant to Landlord.

(B) Tenant shall not seek to terminate this Lease by reason of any act or omission of Landlord until Tenant has given written notice of such act or omission to Lender, subject to the terms of Section 6 hereof, at such address as shall have been furnished to Tenant by Lender and, if Lender has notified Tenant within ten (10) Business Days following receipt of such notice of its intention to remedy such act or omission, until a reasonable period of time has elapsed following the giving of such notice (including time reasonably necessary for Lender to obtain possession of the Property if required or reasonably necessary to remedy such act or omission), during which period Lender shall have the right, but not the obligation, to remedy such act or omission.

(C) Notwithstanding the foregoing, Lender shall have no obligation hereunder to remedy such default, act or omission.

6. To the extent that the Lease shall entitle Tenant to notice of the existence of any mortgage and the identity and notice address of any mortgagee or any ground lessor, this Agreement shall constitute such notice to Tenant with respect to the Security Instrument and Lender.

7. Upon and after the occurrence of a default under the Security Instrument, which is not cured after any applicable notice and/or cure periods, Lender shall be entitled, but not obligated, upon notice to Tenant to exercise the claims, rights, powers, privileges and remedies of Landlord under the Lease and shall be further entitled to the benefits of, and to receive and enforce performance of, all of the covenants to be performed by Tenant under the Lease as though Lender were named therein as Landlord. Landlord hereby agrees that Tenant may rely on Lender's above notice, without independent inquiry.

8. Anything herein or in the Lease to the contrary notwithstanding, in the event that a Successor-Landlord shall acquire title to the Property or the portion thereof containing the Premises, Successor-Landlord shall have no obligation, nor incur any liability, beyond Successor-Landlord's then interest, if any, in the Property, and Tenant shall look exclusively to such interest, if any, of Successor-Landlord in the Property for the payment and discharge of any obligations imposed upon Successor-Landlord hereunder or under the Lease, and Successor-Landlord is hereby released or relieved of any other liability hereunder and under the Lease. Tenant agrees that, with respect to any money judgment which may be obtained or secured by Tenant against Successor-Landlord, Tenant shall look solely to the estate or interest owned by Successor-Landlord in the Property (the "731 Assets"), and Tenant will not collect or attempt to collect any such judgment out of any other assets of Successor-Landlord. The 731 Assets include, without limitation, any insurance proceeds, sale proceeds and/or condemnation awards, in each case deriving from the Property.

9. If the Lease provides that Tenant is entitled to expansion space, Successor Landlord shall have no obligation nor any liability for failure to provide such expansion space if the reason Successor Landlord has succeeded to the interest of such prior landlord under the Lease is a result of or arises out of an Event of Default by Tenant under the Lease. In any event following the date a Successor-Landlord succeeds to the interest of Landlord under the Lease, Lender agrees to reasonably cooperate with Tenant in exercising Tenant's rights against any other owner of any portion of the Building containing expansion space to which Tenant is entitled to under the Lease.

10. Except as specifically provided in this Agreement, Lender shall not, by virtue of this Agreement, the Security Instrument or any other instrument to which Lender may be a party, be or become subject to any liability or obligation to Tenant under the Lease or otherwise.

11. Tenant acknowledges and agrees that this Agreement satisfies and complies in all respects with the provisions of Section 7.1 of the Lease.

12. Tenant acknowledges and agrees that Lender is an "Institutional Lender", and Tenant further acknowledges and agrees that pursuant to Section 9.2 of the Lease, Tenant shall require the issuer of Tenant's Property Policy to pay any proceeds from Tenant's Property Policy to a Proceeds Depository designated by Lender.

13. For the avoidance of doubt, Tenant acknowledges and agrees that Tenant's Option to lease the Upper Option Space and/or the Lower Option Space pursuant to the terms of Article 36 of the Lease does not apply to any space that is not owned by Landlord.

14. All notices or other communications required or permitted to be given to Landlord, to Tenant or to Lender pursuant to the provisions of this Agreement shall be in writing and shall be deemed given only if mailed by United States registered mail, postage prepaid, by nationally recognized overnight delivery service (such as Federal Express or United States Postal Service Express Mail), addressed as follows: to Tenant, at the address first set forth above, Attention: Peter Smith, with a copy to Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, NY 10019, Attention: Thomas J. Henry, Esq.; to Landlord, at the address first set forth above, Attention: Chief Financial Officer, with a copy to Sullivan & Cromwell LLP, 125 Broad Street New York, NY 10004; and to Lender, at the address first set forth above, Attention: General Counsel, with a copy to Sidley Austin LLP, One South Dearborn Street, Chicago, Illinois 60603, Attention: Charles E. Schrank, Esq.; or to such other address or number as such party may hereafter designate by notice delivered in accordance herewith. Except as otherwise provided in this Agreement, all such notices shall be deemed given three (3) business days after delivery to the United States Post office registry clerk if given by registered mail, or on the next business day after delivery to an overnight delivery courier.

ARTICLE II: TENANT ESTOPPEL.

1. Tenant hereby represents, as of the date hereof, to Lender as follows:

(a) The Lease is in full force and effect and the original document has not been amended, modified or supplemented in any way except as stated herein.

(b) There has been no assignment of the Lease by Tenant or subletting of any portion of the Premises by Tenant.

(c) There are no oral or written agreements or understandings between Landlord and Tenant relating to the Premises under the Lease except of an administrative nature or in notices sent pursuant to the Lease (e.g. Construction Notices and Pricing Agreements).

(d) The execution of the Lease was duly authorized by Tenant and the Lease is in full force and effect.

(e) There has not been filed by or against nor to the best knowledge of Tenant (without having made any investigations) is there threatened against Tenant, any petition under the bankruptcy laws of the United States.

(f) The Commencement Date for each Deliverable Unit of the Initial Premises was as follows:

Lower Level 3; Floors Lower Level 2, 3 through 15 – November 14, 2003;
Floors 16 through 19 – December 26, 2003;
Lower Level 2 pit area – February 1, 2004; and
Lower Level 2 pit area – February 9, 2004.

- (g) Subject to Section 10.1 of the Lease, the Rent Commencement Date for each Deliverable Unit of the Initial Premises was nine (9) months after the Commencement Date for such Deliverable Unit, subject to the terms of the Lease.
- (h) The Fixed Rent and square footage for the Initial Premises is as set forth in the Lease.
- (i) Tenant is not entitled to any rent abatements, rent concessions, credits or free rent periods under the Lease.
- (j) The amount of the monthly Tax Payment and the amount of the monthly Operating Payment due under the Lease are as set forth in Section 26 of the Lease.
- (k) Subject to the terms of the Lease (including the Renewal Option), the term of the Lease expires on February 8, 2029 as set forth in the definition of Fixed Expiration Date in the Lease.
- (l) Tenant has accepted delivery of all of the Deliverable Units.
- (m) Tenant has received all credits it is entitled to under Section 22.2(C) of the Lease.
- (n) There are no existing defenses or offsets against the enforcement of the Lease by Tenant, or to the best of Tenant's knowledge (without having made any investigations), there exists no default (beyond any applicable grace period) on the part of either Tenant or Landlord under the Lease and Tenant has no knowledge of any event which with the giving of notice, the passage of time or both would constitute a default under the Lease.
- (o) No fixed rent (including expense reimbursements) has been paid in advance.
- (p) To the best of Tenant's knowledge (without having made any investigation), except as set forth in the Lease, Tenant has no right to terminate the Lease nor any right or option to purchase all or any part of the Property.
- (q) All of the construction obligations of the Landlord under the Lease have been duly performed and completed in accordance with the terms of the Lease.
- (r) Without limiting any of Tenant's rights under the Lease in connection with a financing other than the Loan, Tenant waives any right (if any) under the Lease to provide financing to Landlord.

The representations contained in this Article II, Paragraph 1 are binding upon Tenant and its successors and assigns and may be relied upon by Lender and its successors, participants, assigns and transferees, if any portion of the loan becomes the subject of a securitization, may also be relied upon by the credit rating agency, if any, rating the securities collateralized by any portion of the loan as well as any issuer of any such securities, and any servicer and/or trustee acting in respect of any such securitization.

2. Whenever, from time to time, reasonably requested by Lender (but not more than three (3) times during any calendar year), Tenant shall execute and deliver to or at the direction of Lender, and without charge to Lender, one or more written certifications, of all of the matters set forth in Article II, Paragraph 1 above, and any other information the Lender may reasonably require to confirm the current status of the Lease.

ARTICLE III: LANDLORD ESTOPPEL STATEMENTS

1. Landlord hereby certifies to Tenant and Lender that (i) the Lease is in full force and effect, (ii) the Lease has not been modified other than as set forth above, (iii) to the best of Landlord's knowledge (but without having made any investigation), Tenant is not in default under the Lease and (iv) without limiting any of Landlord's rights under the Lease in connection with a financing other than the current Loan, Landlord has no claim under the Lease.

ARTICLE IV: MISCELLANEOUS

1. EACH OF LANDLORD, TENANT AND LENDER HEREBY IRREVOCABLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT.

2. This Agreement may be modified only by an agreement in writing signed by the parties hereto, or their respective successors-in-interest. This Agreement shall inure to the benefit of and be binding upon the parties hereto, and their respective successors and assigns. The term "Lender" shall mean the then holder of the Security Instrument. The term "Landlord" shall mean the then holder of the landlord's interest in the Lease. The term "person" shall mean an individual, joint venture, corporation, partnership, trust, limited liability company, unincorporated association or other entity. All references herein to the Lease shall mean the Lease as modified by this Agreement and to any amendments or modifications to the Lease which are consented to in writing by Lender to the extent required hereunder.

3. This Agreement shall be governed by and construed in accordance with the laws of the State in which the Property is located.

4. Landlord and Tenant agree that the Lease, as modified by the terms hereof, remains in full force and effect.

5. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

LENDER:

GERMAN AMERICAN CAPITAL CORPORATION,
a Maryland corporation

By: _____
Name:
Title:

By: _____
Name:
Title:

TENANT:

BLOOMBERG L.P.,
a Delaware limited partnership

By: BLOOMBERG INC., a Delaware corporation, its general partner

By: _____
Name:
Title:

LANDLORD:

731 OFFICE ONE LLC, a Delaware limited liability company

By: 731 OFFICE ONE HOLDING LLC, a Delaware limited liability company, its sole member

By: ALEXANDER'S INC., a Delaware
corporation, its sole member

By: _____
Name:
Title:

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

On the ____ day of _____ in the year ____ before me, the undersigned, a notary public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity, and that by his/her/their signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

[Notary Seal] My commission expires:

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

On the ____ day of _____ in the year ____ before me, the undersigned, a notary public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity, and that by his/her/their signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

[Notary Seal] My commission expires:

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

On the ____ day of _____ in the year ____ before me, the undersigned, a notary public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity, and that by his/her/their signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

[Notary Seal] My commission expires:

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

On the ____ day of _____ in the year ____ before me, the undersigned, a notary public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity, and that by his/her/their signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

[Notary Seal] My commission expires:

SCHEDULE A

EXHIBIT G

Reserved

Ex. G-1

EXHIBIT H

Form of Completion Guaranty

Ex. H-1

EXHIBIT H

FORM OF COMPLETION GUARANTY

GUARANTY OF COMPLETION

This GUARANTY OF COMPLETION, is made as of _____, 201] (this **Agreement**), by ALEXANDER'S INC., a Delaware corporation (**Guarantor**), having an address for notice purposes c/o 210 Route 4 East, Paramus, New Jersey 07562, to and for the benefit of GERMAN AMERICAN CAPITAL CORPORATION, a Maryland corporation (together with its successors and assigns, the **Lender**), having an office at 60 Wall Street, New York, New York 10005.

WITNESSETH:

WHEREAS, 731 Office One LLC (**Borrower**) is the owner of a fee simple interest in the real property commonly known as Office Unit 1 and Office Unit 2 of the Beacon Court Condominium located at 731 Lexington Avenue, New York, New York;

WHEREAS, in accordance with the terms of a Loan Agreement, dated as of February __, 2014 (as the same may be amended and supplemented from time to time, the **Loan Agreement**), between Lender, as lender, and Borrower, as borrower, Lender made a loan to Borrower in the principal amount of \$300,000,000 (the **Loan**), which Loan is evidenced by a certain promissory note, dated February __, 2014 (as the same may be replaced, exchanged, amended and supplemented from time to time, the **Note**), made by Borrower to Lender and secured by that certain Amended, Restated Mortgage, Assignment of Leases and Rents and Security Agreement, dated as of February __, 2014 (as the same may be amended and supplemented from time to time, the **"Mortgage"**) by and between Borrower and Lender and the other Loan Documents (as defined in the Loan Agreement);

WHEREAS, Guarantor is an affiliate of Borrower and has derived and will continue to derive substantial benefits from the Loan;

WHEREAS, after the occurrence of a Casualty to the Landlord Restoration Items (as defined in the Bloomberg Lease) (a **"Landlord Restoration Items Casualty"**) the provisions of the Loan Agreement require Guarantor to deliver this Agreement for the benefit of Lender prior to Lender's making any Net Proceeds available to Borrower to restore the Property;

WHEREAS, on [_____, 20__], a Landlord Restoration Items Casualty occurred;

WHEREAS, the foregoing recitals are intended to form an integral part of this Agreement.

NOW, THEREFORE, in consideration of the foregoing premises, Ten Dollars (\$10.00) paid in hand, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Guarantor agrees as follows:

Section 1. Definitions. Capitalized terms used herein and not defined shall have the meaning provided in the Loan Agreement.

Section 2. Guaranty. Without in any way limiting or diminishing any of Guarantor's obligations under the Guaranty, Guarantor hereby absolutely and unconditionally guarantees to Lender the prompt and unconditional payment and performance of the following (collectively, the **Guaranteed Obligations**): from and after the occurrence of a Landlord Restoration Items Casualty, all of Borrower's obligations (or any obligations of the Condominium Board) to restore or cause to be restored all of the Landlord Restoration Items to the condition required by the terms of the Original Bloomberg Lease (collectively, the **Restoration Work**) as and when such restoration is required to be performed by Borrower (or the Condominium Board) in accordance with the terms of the Original Bloomberg Lease, provided that Lender shall make available to Guarantor the portion of the Net Proceeds allocable to the Restoration of the Landlord Restoration Items to pay or reimburse Guarantor for the Restoration Work (to the extent of the portion of the Net Proceeds allocable to the Landlord Restoration Items) (or, failing such payment or reimbursement, Lender shall credit against Guarantor's obligations hereunder the portion of the Net Proceeds allocable to the Restoration of the Landlord Restoration Items).

Section 3. Guaranty of Payment and Performance. This Agreement is a guaranty of payment and performance and not merely a guaranty of collection and upon any failure of Guarantor to pay and/or perform the Guaranteed Obligations, Lender may, at its option, proceed directly and at once, without notice to Borrower, against Guarantor to collect and recover the full amount of the liability to pay the Guaranteed Obligations hereunder or any portion thereof, without proceeding against Borrower or any other Person, or foreclosing upon, selling, or otherwise disposing of or collecting or applying against any of the collateral that is security for the Loan.

Section 4. Continuing Guaranty. This is a continuing guaranty and the obligations of Guarantor hereunder are and shall be absolute under any and all circumstances, without regard to the validity, regularity or enforceability of the Note, the Loan Agreement, the Mortgage or any other Loan Document, a true copy of each of said documents Guarantor hereby acknowledges having received and reviewed.

Section 5. Obligations Deferred. Any indebtedness of Borrower to Guarantor now or hereafter existing, including, without limitation, any rights to subrogation which Guarantor may have as a result of any payment by Guarantor under this Agreement, together with any interest thereon, shall be, and such indebtedness is, hereby deferred, postponed and subordinated to the prior payment in full of the Guaranteed Obligations. Until payment in full of the principal, interest and the Spread Maintenance Premium (if applicable) payable by Borrower pursuant to the terms of the Loan Agreement, including interest accruing on the Note after the commencement of a proceeding by or against Borrower under the Bankruptcy Code which interest the parties agree shall remain a claim that is prior and superior to any claim of Guarantor notwithstanding any contrary practice, custom or ruling in cases under the Bankruptcy Code generally, Guarantor agrees not to accept any payment or satisfaction of any kind of indebtedness of Borrower to Guarantor and hereby assigns such indebtedness to Lender, including the right to file proof of claim and to vote thereon in connection with any such

proceeding under the Bankruptcy Code, including the right to vote on any plan of reorganization. In no event shall “indebtedness” of the Borrower to Guarantor include normal and customary member distributions that Guarantor is entitled to receive pursuant to the terms of Borrower’s operating agreement provided such distributions are not evidenced by a note or similar debt document.

Section 6. Expenses. Guarantor agrees that, promptly after notice or demand, Guarantor will reimburse Lender, to the extent that such reimbursement is not made by Borrower, for all reasonable out of pocket expenses, including, without limitation, reasonable counsel fees and disbursements, incurred by Lender in connection with the collection of the Guaranteed Obligations or any portion thereof.

Section 7. Waivers.

(a) Guarantor hereby waives notice of the acceptance hereof, presentment, demand for payment, protest, notice of protest, or any and all notice of non-payment, non-performance or non-observance, or other proof, or notice or demand, except as otherwise required hereunder.

(b) Guarantor agrees that the validity of this Agreement and the obligations of Guarantor hereunder shall in no way be terminated, affected or impaired by reason of (i) the assertion by Lender of any rights or remedies which it may have under or with respect to any of the Note, the Loan Agreement, the Mortgage or any other Loan Documents against any Person obligated thereunder; (ii) any failure to file or record any of such instruments or to take or perfect any security intended to be provided thereby; (iii) the release or exchange of any property or interest covered by the Loan Agreement or the Mortgage or any other collateral for the Loan; (iv) Lender’s failure to exercise, or delay in exercising, any such right or remedy or any right or remedy which Lender may have hereunder or in respect to this Agreement; (v) the commencement of a case under the Bankruptcy Code by or against any Person obligated under the Note, Loan Agreement, the Mortgage or any other Loan Document; (vi) any payment made on the Guaranteed Obligations or any other indebtedness arising under the Note, the Loan Agreement, the Mortgage or any other Loan Document, whether made by Borrower or Guarantor or any other Person, which is required to be refunded pursuant to any bankruptcy or insolvency law; it being understood that no payment so refunded shall be considered as a payment of any portion of the Guaranteed Obligations, nor shall it have the effect of reducing the liability of Guarantor hereunder. It is further understood that if Borrower shall have taken advantage of, or be subject to the protection of, any provision in the Bankruptcy Code, the effect of which is to prevent or delay Lender from taking any remedial action against Borrower, including the exercise of any option Lender has to declare the Guaranteed Obligations due and payable on the happening of any default or event by which under the terms of the Note, the Loan Agreement the Mortgage or any other Loan Document, the Guaranteed Obligations shall become due and payable then Lender may, as against Guarantor, declare the Guaranteed Obligations to be due and payable and enforce any or all of its rights and remedies against Guarantor provided for herein.

(c) This Agreement shall remain and continue in full force and effect as to any modification, extension or renewal of the Note, the Loan Agreement, the Mortgage or any other Loan Document and Lender shall not be under a duty to protect, secure or insure any security or lien provided by the Loan Agreement or the Mortgage or other such collateral, and that other indulgences or forbearance may be granted under any or all of such documents, all of which may be made, done or suffered without notice to, or further consent of, Guarantor.

(d) Guarantor hereby waives the pleading of any statute of limitations as a defense to the obligation hereunder.

Section 8. Miscellaneous.

(a) Marshalling. GUARANTOR WAIVES ANY RIGHT OR CLAIM OF RIGHT TO CAUSE A MARSHALLING OF BORROWER'S ASSETS OR TO CAUSE LENDER TO PROCEED AGAINST ANY OF THE SECURITY FOR THE LOAN BEFORE PROCEEDING UNDER THIS AGREEMENT AGAINST BORROWER OR TO PROCEED AGAINST GUARANTOR IN ANY PARTICULAR ORDER. GUARANTOR AGREES THAT ANY PAYMENTS REQUIRED TO BE MADE HEREUNDER SHALL BECOME DUE AND PAYABLE TEN (10) DAYS AFTER DEMAND. EXCEPT AS PERMITTED PURSUANT TO SECTION 5 HEREOF, GUARANTOR EXPRESSLY WAIVES AND RELINQUISHES ALL RIGHTS AND REMEDIES (INCLUDING ANY RIGHTS OF SUBROGATION) ACCORDED BY APPLICABLE LAW TO GUARANTOR.

(b) Joint and Several Obligation. If Guarantor consists of more than one Person or entity, each shall be jointly and severally liable to perform the obligations of Guarantor hereunder. Any one of Borrower or one or more parties constituting Guarantor or any other party liable upon or in respect of this Agreement or the Loan may be released without affecting the liability of any party not so released.

(c) Further Assurances. Guarantor shall execute and acknowledge (or cause to be executed and acknowledged) and deliver to Lender all documents, and take all actions, reasonably required by Lender from time to time to confirm the rights created or now or hereafter intended to be created under this Agreement, to protect and further the validity, priority and enforceability of this Agreement or otherwise carry out the purposes of this Agreement and the transactions contemplated thereunder.

(d) Notices. All notices, consents, approvals and requests required or permitted hereunder shall be given in writing and shall be effective for all purposes if hand delivered or sent by (a) certified or registered United States mail, postage prepaid, return receipt requested or (b) expedited prepaid delivery service, either commercial or United States Postal Service, with proof of attempted delivery, or (c) by telecopier (with answer back acknowledged), addressed as follows (or at such other address and Person as shall be designated from time to time by any party hereto, as the case may be, in a written notice to the other parties hereto in the manner provided for in this Section and given at least twenty (20) days prior to the effective date of such change of address).

If to Guarantor: Alexander's Inc.
888 Seventh Avenue
New York, New York 10019
Attention: []
Facsimile: []

with a copy to: Sullivan & Cromwell LLP
125 Broad Street
New York, New York 10004
Attention: Arthur S. Adler, Esq.
Facsimile No.: (212) 291-9001

If to Lender: German American Capital Corporation
60 Wall Street, 10th Floor
New York, New York 10005
Attention: Robert W. Pettinato, Jr.
Facsimile No.: (212) 797-4489

and to: German American Capital Corporation
60 Wall Street, 10th Floor
New York, New York 10005
Attention: General Counsel
Facsimile No.: (646) 736-5721

and copy to: Sidley Austin LLP
One South Dearborn
Chicago, Illinois 60603
Attention: Charles E. Schrank Esq.
Facsimile No.: (312) 853-7036

All notices, elections, requests and demands required or permitted under this Agreement shall be in the English language. All notices, elections, requests and demands under this Agreement shall be effective and deemed received upon the earliest of (i) the actual receipt of the same by personal delivery or otherwise, (ii) one (1) Business Day after being deposited with a nationally recognized overnight courier service as required above, (iii) upon delivery or rejection of delivery after being deposited in the United States mail as required above, or (iv) on the day sent if sent by facsimile with confirmation on or before 5:00 p.m. New York time on any Business Day or on the next Business Day if so delivered after 5:00 p.m. New York time or on any day other than a Business Day. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given as herein required shall be deemed to be receipt of the notice, election, request, or demand sent.

(e) Entire Agreement. This Agreement constitutes the entire and final agreement between Guarantor and Lender with respect to the subject matter hereof and

may only be changed, amended, modified or waived by an instrument in writing signed by Guarantor and Lender.

(f) No Waiver. No waiver of any term or condition of this Agreement, whether by delay, omission or otherwise, shall be effective unless in writing and signed by the party sought to be charged, and then such waiver shall be effective only in the specific instance and for the purpose for which given. No delay on Lender's part in exercising any right, power or privilege under this Agreement or any other Loan Document shall operate as a waiver of any privilege, power or right hereunder.

(g) Successors and Assigns. This Agreement shall be binding upon Guarantor and its successors and assigns of this Agreement and shall inure to the benefit of Lender and its successors and permitted assigns of the Loan Documents. Guarantor, without the prior written consent of Lender in each instance, may assign, transfer or set over to another, in whole or in part, all or any part of its benefits, rights, duties and obligations hereunder, including, but not limited to, performance of and compliance with conditions hereof, provided that such assignment shall not release Guarantor of its obligations hereunder.

(h) Captions. All paragraph, section, exhibit and schedule headings and captions herein are used for reference only and in no way limit or describe the scope or intent of, or in any way affect, this Agreement.

(i) Counterparts. This Agreement may be executed in counterparts, each of which shall be an original and all of which, when taken together, shall constitute one binding Agreement.

(j) Severability. The provisions of this Agreement are severable, and if any one clause or provision hereof shall be held invalid or unenforceable in whole or in part, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, and not any other clause or provision of this Agreement.

(k) GOVERNING LAW. THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK PURSUANT TO SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW, WITHOUT REGARD TO CHOICE OF LAW RULES. BORROWER AGREES THAT ANY SUIT FOR THE ENFORCEMENT OF THIS NOTE OR ANY OTHER LOAN DOCUMENT SHALL BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK OR ANY FEDERAL COURT SITTING THEREIN AND CONSENTS TO THE NONEXCLUSIVE JURISDICTION OF SUCH COURT AND THE SERVICE OF PROCESS IN ANY SUCH SUIT BEING MADE UPON BORROWER IN THE MANNER AND AT THE ADDRESS SPECIFIED FOR NOTICES IN THE LOAN AGREEMENT. BORROWER HEREBY WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH SUIT OR ANY SUCH COURT OR THAT SUCH SUIT IS BROUGHT IN AN INCONVENIENT COURT.

(l) JURY TRIAL WAIVER. GUARANTOR AND LENDER AND ALL PERSONS CLAIMING BY, THROUGH OR UNDER THEM, HEREBY EXPRESSLY, KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (I) ARISING UNDER THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, ANY PRESENT OR FUTURE MODIFICATION THEREOF OR (II) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF GUARANTOR OR LENDER WITH RESPECT TO THIS AGREEMENT (AS NOW OR HEREAFTER MODIFIED) OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith, OR THE TRANSACTIONS RELATED HERETO OR THERETO, IN EACH CASE WHETHER SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION IS NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE; AND GUARANTOR AND LENDER HEREBY AGREE AND CONSENT THAT AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION MAY BE FILED WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT HERETO TO THE WAIVER OF ANY RIGHT TO TRIAL BY JURY. EACH OF GUARANTOR AND LENDER ACKNOWLEDGES THAT IT HAS CONSULTED WITH LEGAL COUNSEL REGARDING THE MEANING OF THIS WAIVER AND ACKNOWLEDGES THAT THIS WAIVER IS AN ESSENTIAL INDUCEMENT FOR THE MAKING OF THE LOAN. THIS WAIVER SHALL SURVIVE THE REPAYMENT OF THE LOAN.

(m) Counterclaims and Other Actions. Guarantor hereby expressly and unconditionally waives, in connection with any suit, action or proceeding brought by Lender in connection with this Agreement, any and every right it may have to (i) interpose any counterclaim therein (other than a counterclaim which can only be asserted in the suit, action or proceeding brought by Lender on this Agreement and cannot be maintained in a separate action) and (ii) have any such suit, action or proceeding consolidated with any other or separate suit, action or proceeding.

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IN WITNESS WHEREOF, Guarantor has executed this Guaranty of Completion as of the date first set forth above.

GUARANTOR:

ALEXANDER'S INC., a Delaware corporation

By: _____
Name:
Title:

CONSOLIDATED, AMENDED AND RESTATED PROMISSORY NOTE

\$300,000,000.00

New York, New York
February 28, 2014

FOR VALUE RECEIVED, **731 OFFICE ONE LLC**, a Delaware limited liability company, as maker, having its principal place of business at c/o Alexander's, Inc., 210 Route 4 East, Paramus, New Jersey 07652 (together with its successors and assigns, "**Borrower**"), hereby unconditionally promises to pay to the order of **GERMAN AMERICAN CAPITAL CORPORATION**, a Maryland corporation, having an address at 60 Wall Street, 10th Floor, New York, New York 10005 (collectively, together with its successors and/or assigns, "**Lender**"), or at such other place as Lender may from time to time designate in writing, the principal sum of THREE HUNDRED MILLION AND NO/100 DOLLARS (\$300,000,000.00), or so much thereof as is advanced pursuant to that certain Loan Agreement dated the date hereof between Borrower and Lender (as the same may be amended, modified, supplemented, replaced or otherwise modified from time to time, the "**Loan Agreement**") in lawful money of the United States of America, with interest thereon to be computed from the date of this Consolidated, Amended and Restated Promissory Note (this "**Note**") at the Interest Rate (as defined in the Loan Agreement), and to be paid in accordance with the terms of this Note and the Loan Agreement. All capitalized terms not defined herein shall have the respective meanings set forth in the Loan Agreement.

This Note is intended to consolidate, amend and restate in their entirety those certain promissory notes (collectively, the "**Existing Notes**") described on Exhibit A attached hereto and made a part hereof, which Existing Notes are now held by Lender. This Note is not intended to create any new indebtedness nor intended to constitute a novation as to Borrower's obligations under the Existing Notes.

PAYMENT TERMS

Borrower agrees to pay the principal sum of this Note and interest on the unpaid principal sum of this Note and all other amounts due under the Loan Agreement and the other Loan Documents from time to time outstanding, at the rates and at the times specified in the Loan Agreement, and the outstanding balance of the principal sum of this Note and all accrued and unpaid interest thereon and all other amounts due under the Loan Agreement and the other Loan Documents shall be due and payable on the Maturity Date.

DEFAULT AND ACCELERATION

The Debt shall without notice become immediately due and payable at the option of Lender upon the occurrence of any Event of Default.

LOAN DOCUMENTS

This Note is secured by the Mortgage and the other Loan Documents. All of the terms, covenants and conditions contained in the Loan Agreement, the Mortgage and the other Loan Documents are hereby made part of this Note to the same extent and with the same force as if they were fully set forth herein. In the event of a conflict or inconsistency between the terms of

this Note and the Loan Agreement, the terms and provisions of the Loan Agreement shall govern.

SAVINGS CLAUSE

Notwithstanding anything to the contrary contained herein, (a) all agreements and communications between Borrower and Lender are hereby and shall automatically be limited so that, after taking into account all amounts deemed to constitute interest, the interest contracted for, charged or received by Lender shall never exceed the Maximum Legal Rate, (b) in calculating whether any interest exceeds the Maximum Legal Rate, all such interest shall be amortized, prorated, allocated and spread over the full amount and term of all principal indebtedness of Borrower to Lender, and (c) if through any contingency or event, Lender receives or is deemed to receive interest in excess of the Maximum Legal Rate, any such excess shall be deemed to have been applied toward the payment of the principal of any and all then outstanding indebtedness of Borrower to Lender, or if there is no such indebtedness, shall immediately be returned to Borrower.

NO ORAL CHANGE

This Note may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Borrower or Lender, but only by an agreement in writing signed by the party(ies) against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

WAIVERS

Borrower and all others who may become liable for the payment of all or any part of the Debt do hereby jointly and severally waive presentment and demand for payment, notice of dishonor, notice of intention to accelerate, notice of acceleration, protest and notice of protest and non-payment and all other notices of any kind, except as may otherwise be required by the Loan Agreement. No release of any security for the Debt or extension of time for payment of this Note or any installment hereof, and no alteration, amendment or waiver of any provision of this Note, the Loan Agreement or the other Loan Documents made by agreement between Lender and any other Person shall release, modify, amend, waive, extend, change, discharge, terminate or affect the liability of Borrower or any other Person who may become liable for the payment of all or any part of the Debt under this Note, the Loan Agreement or the other Loan Documents. No notice to or demand on Borrower shall be deemed to be a waiver of the obligation of Borrower or of the right of Lender to take further action without further notice or demand as provided for in this Note, the Loan Agreement or the other Loan Documents. If Borrower is a partnership or limited liability company, the agreements herein contained shall remain in force and be applicable, notwithstanding any changes in the individuals or entities comprising the partnership or limited liability company, and the term "Borrower," as used herein, shall include any alternate or successor partnership or limited liability company, but any predecessor partnership or limited liability company and its partners or members shall not thereby be released from any liability. If Borrower is a corporation, the agreements contained herein shall remain in full force and be applicable, notwithstanding any changes in the shareholders comprising, or the officers and directors relating to, the corporation, and the term

“Borrower,” as used herein, shall include any alternative or successor corporation, but any predecessor corporation shall not be relieved of liability hereunder. (Nothing in the foregoing two sentences shall be construed as a consent to, or a waiver of, any prohibition or restriction on transfers of interests in such partnership, limited liability company or corporation which may be set forth in the Loan Agreement, the Mortgage or any other Loan Document.)

TRANSFER

Upon the transfer of this Note by Lender in accordance with the Loan Agreement, Borrower hereby waiving notice of any such transfer, Lender may deliver all the collateral mortgaged, granted, pledged or assigned pursuant to the Loan Documents, or any part thereof, to the transferee who shall thereupon become vested with all the rights herein or under applicable law given to Lender with respect thereto, and Lender shall thereafter forever be relieved and fully discharged from any liability or responsibility in the matter; but Lender shall retain all rights and obligations with respect to any liabilities and the collateral not so transferred.

EXCULPATION

The provisions of Section 10.1 of the Loan Agreement are hereby incorporated by reference into this Note to the same extent and with the same force as if fully set forth herein.

GOVERNING LAW; JURISDICTION; SERVICE OF PROCESS

THIS NOTE WAS NEGOTIATED IN THE STATE OF NEW YORK, AND MADE BY BORROWER AND ACCEPTED BY LENDER IN THE STATE OF NEW YORK, AND THE PROCEEDS OF THIS NOTE WERE DISBURSED FROM THE STATE OF NEW YORK, WHICH STATE THE PARTIES AGREE HAS A SUBSTANTIAL RELATIONSHIP TO THE PARTIES AND TO THE UNDERLYING TRANSACTION EMBODIED HEREBY, AND IN ALL RESPECTS, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS NOTE AND THE OBLIGATIONS ARISING HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED IN SUCH STATE (WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS) AND ANY APPLICABLE LAW OF THE UNITED STATES OF AMERICA. TO THE FULLEST EXTENT PERMITTED BY LAW, BORROWER HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY CLAIM TO ASSERT THAT THE LAW OF ANY OTHER JURISDICTION GOVERNS THIS NOTE AND THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK PURSUANT TO SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW.

ANY LEGAL SUIT, ACTION OR PROCEEDING AGAINST LENDER OR BORROWER ARISING OUT OF OR RELATING TO THIS NOTE MAY AT LENDER'S OPTION BE INSTITUTED IN ANY FEDERAL OR STATE COURT IN THE CITY OF NEW YORK, COUNTY OF NEW YORK, PURSUANT TO SECTION 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW, AND BORROWER WAIVES ANY

OBJECTIONS WHICH IT MAY NOW OR HEREAFTER HAVE BASED ON VENUE AND/OR FORUM NON CONVENIENS OF ANY SUCH SUIT, ACTION OR PROCEEDING, AND BORROWER HEREBY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF ANY SUCH COURT IN ANY SUIT, ACTION OR PROCEEDING. BORROWER AGREES THAT SERVICE OF PROCESS UPON BORROWER AT THE ADDRESS FOR BORROWER SET FORTH HEREIN AND WRITTEN NOTICE OF SAID SERVICE MAILED OR DELIVERED TO BORROWER IN THE MANNER PROVIDED HEREIN SHALL BE DEEMED IN EVERY RESPECT EFFECTIVE SERVICE OF PROCESS UPON BORROWER IN ANY SUCH SUIT, ACTION OR PROCEEDING IN THE STATE OF NEW YORK. BORROWER (I) SHALL GIVE PROMPT NOTICE TO LENDER OF ANY CHANGE IN THE ADDRESS FOR BORROWER SET FORTH HEREIN, (II) MAY AT ANY TIME AND FROM TIME TO TIME DESIGNATE AN AUTHORIZED AGENT WITH AN OFFICE IN NEW YORK, NEW YORK (WHICH AGENT AND OFFICE SHALL BE DESIGNATED AS THE PERSON AND ADDRESS FOR SERVICE OF PROCESS), AND (III) SHALL PROMPTLY DESIGNATE AN AUTHORIZED AGENT IF BORROWER CEASES TO HAVE AN OFFICE IN NEW YORK, NEW YORK. NOTHING CONTAINED HEREIN SHALL AFFECT THE RIGHT OF LENDER TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST BORROWER IN ANY OTHER JURISDICTION.

WAIVER OF JURY TRIAL

BORROWER HEREBY AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND FOREVER WAIVES ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST, WITH REGARD TO THIS NOTE, THE MORTGAGE OR THE OTHER LOAN DOCUMENTS, OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY BORROWER AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. LENDER IS HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY BORROWER.

SUCCESSORS AND ASSIGNS

This Note shall be binding upon, and shall inure to the benefit of, Borrower and Lender and their respective successors and permitted assigns. Lender shall have the right to assign or transfer its rights under this Note in connection with any assignment of the Loan and the Loan Documents in accordance with the terms of the Loan Agreement. Any assignee or transferee of Lender shall be entitled to all the benefits afforded to Lender under this Note. Borrower shall not have the right to assign or transfer its rights or obligations under this Note without the prior written consent of Lender, except as provided in the Loan Agreement, and any attempted assignment without such consent shall be null and void.

NOTICES

All notices or other written communications hereunder shall be delivered in accordance with Section 10.6 of the Loan Agreement.

JOINT AND SEVERAL LIABILITY

If more than one Person has executed this Note as "*Borrower*," the representations, covenants, warranties and obligations of all such Persons hereunder shall be joint and several.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF, Lender has duly executed this Note as of the day and year first above written.

BORROWER:

731 OFFICE ONE LLC, a Delaware limited liability company

By: 731 OFFICE ONE HOLDING LLC, a Delaware limited liability company, its sole member

By: ALEXANDER'S INC., a Delaware corporation, its sole member

By: /s/ Alan J. Rice
Name: Alan J. Rice
Title: Secretary

LENDER:

GERMAN AMERICAN CAPITAL CORPORATION, a Maryland corporation

By: /s/ David Goodman
Name: David Goodman
Title: Director

By: /s/ Lisa Paterson
Name: Lisa Paterson
Title: Director

EXHIBIT A

Existing Notes

1. Consolidated, Amended and Restated Supplemental Loan Note (No. 3) in the original principal amount of \$22,940,962, dated January 28, 2004, by 731 Commercial LLC and 731 Residential LLC in favor of Hypo Real Estate Capital Corporation, as assigned by that certain Allonge, dated February 13, 2004, to German American Capital Corporation.
2. Consolidated, Amended and Restated Project Loan Note (No. 3) in the original principal amount of \$15,587,546, dated January 28, 2004, by 731 Commercial LLC and 731 Residential LLC in favor of Hypo Real Estate Capital Corporation, as assigned by that certain Allonge Endorsement, dated February 13, 2004, to German American Capital Corporation.
3. Substitute Mortgage Note C (No. 3) in the original principal amount of \$236,471,492, dated January 28, 2004, by 731 Commercial LLC and 731 Residential LLC in favor of Hypo Real Estate Capital Corporation, as assigned by that certain Allonge Endorsement, dated February 13, 2004, to German American Capital Corporation.
4. Substitute Subordinate Building Loan Note in the original principal amount of \$125,000,000, dated February __, 2004, by 731 Commercial LLC and 731 Residential LLC in favor of Hypo Real Estate Capital Corporation, as assigned by that certain Allonge Endorsement, dated February 13, 2004, to German American Capital Corporation.
5. Amended, Restated and Consolidated Note in the original principal amount of \$400,000,000, dated February 13, 2004, by 731 Office One LLC in favor of German American Capital Corporation. Consolidates Notes 1 – 4.
6. Note Exchange Agreement, dated February 13, 2004, by and between 731 Office One LLC and German American Capital Corporation. Exchanges Note 5 for Notes 7 – 12.
7. Promissory Note A-1 in the original principal amount of \$90,000,000, dated February 13, 2004, by 731 Office One LLC in favor of German American Capital Corporation.
8. Promissory Note A-2 in the original principal amount of \$95,000,000, dated February 13, 2004, by 731 Office One LLC in favor of German American Capital Corporation.
9. Promissory Note A-3 in the original principal amount of \$35,000,000, dated February 13, 2004, by 731 Office One LLC in favor of German American Capital Corporation.
10. Promissory Note A-4 in the original principal amount of \$94,000,000, dated February 13, 2004, by 731 Office One LLC in favor of German American Capital Corporation.

Exhibit A-1

11. Note A-X in the original notional amount of \$86,000,000, dated February 13, 2004, by 731 Office One LLC in favor of German American Capital Corporation.
12. Promissory Note B in the original principal amount of \$86,000,000, dated February 13, 2004, by 731 Office One LLC in favor of German American Capital Corporation, as assigned by that certain Allonge, dated February 13, 2004, to 731 Funding LLC, as assigned by that certain Allonge to Promissory Note B, dated February 27, 2014, to German American Capital Corporation.
13. Promissory Note A-1 in the original principal amount of \$125,000,000, dated June 3, 2004, by 731 Office One LLC in favor of German American Capital Corporation, as assigned by that certain Allonge, dated June 3, 2004, to Wells Fargo Bank, N.A., as Trustee for the registered holders of COMM 2004-LNB3 Commercial Mortgage Pass-Through Certificates, as assigned by that certain Allonge, dated February 24, 2014, to German American Capital Corporation.
14. Promissory Note A-2 in the original principal amount of \$65,000,000, dated June 3, 2004, by 731 Office One LLC in favor of German American Capital Corporation, as assigned by that certain Allonge, dated June 3, 2004, to Wells Fargo Bank, N.A., as Trustee for the registered holders of GE Commercial Mortgage Corporation, Commercial Mortgage Pass-Through Certificates, Series 2004-C3, as assigned by that certain Allonge, dated February 25, 2014, to German American Capital Corporation.
15. Promissory Note A-3 in the original principal amount of \$50,000,000, dated June 3, 2004, by 731 Office One LLC in favor of German American Capital Corporation, as assigned by that certain Allonge, dated June 3, 2004, to LaSalle Bank, N.A., as trustee for the registered holders of GMAC Commercial Mortgage Securities, Inc., Mortgage Pass-Through Certificates, Series 2004-C2, as assigned by that certain Allonge, dated February 25, 2014, from U.S. Bank N.A., as Trustee, as successor by merger to LaSalle Bank, N.A., as trustee for the registered holders of GMAC Commercial Mortgage Securities, Inc., Mortgage Pass-Through Certificates, Series 2004-C2 to German American Capital Corporation.
16. Promissory Note A-4 in the original principal amount of \$74,000,000, dated June 3, 2004, by 731 Office One LLC in favor of German American Capital Corporation, as assigned by that certain Allonge, dated June 3, 2004, to Wells Fargo Bank, N.A., as Trustee for the registered holders of COMM 2004-LNB4 Commercial Mortgage Pass-Through Certificates, as assigned by that certain Allonge, dated February 25, 2014, to German American Capital Corporation.

Notes 7 – 10 were exchanged and replaced by Notes 13 – 16.

731 OFFICE ONE LLC,
a Delaware limited liability company, as mortgagor

(Mortgagor)

to

GERMAN AMERICAN CAPITAL CORPORATION, as mortgagee

(Mortgagee)

**AMENDED AND RESTATED
MORTGAGE, ASSIGNMENT OF LEASES AND RENTS
AND SECURITY AGREEMENT**

Dated: As of February 28, 2014

Location: 731 Lexington Avenue
New York, New York

Condominium

Unit: Office Unit 1 and Office Unit 2

Block: 1313

Lot: 1002 and 1003

County: New York

PREPARED BY AND UPON
RECORDATION RETURN TO:

Sidley Austin LLP
One South Dearborn
Chicago, Illinois 60603
Attention: Charles E. Schrank, Esq.

**AMENDED AND RESTATED MORTGAGE, ASSIGNMENT OF
LEASES AND RENTS AND SECURITY AGREEMENT**

THIS AMENDED AND RESTATED MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT (this "*Mortgage*") is made as of this 28th day of February, 2014, by 731 OFFICE ONE LLC, a Delaware limited liability company, having its principal place of business at c/o Alexander's, Inc., 210 Route 4 East, Paramus, New Jersey 07652, as mortgagor ("*Mortgagor*"), for the benefit of GERMAN AMERICAN CAPITAL CORPORATION, a Maryland corporation, having an address at 60 Wall Street, 10th Floor, New York, New York 10005, collectively, as mortgagee (collectively, together with its successors and/or assigns, "*Mortgagee*").

This Mortgage amends and restates in its entirety the mortgage described on Exhibit B attached hereto and made a part hereof which is now held by Lender (the "*Prior Mortgage*"), to form a single lien in the consolidated principal sum of \$300,000,000.00.

WITNESSETH:

A. This Mortgage is given to secure a loan (the "*Loan*") in the principal sum of THREE HUNDRED MILLION AND NO/100 DOLLARS (\$300,000,000.00) or so much thereof as may be advanced pursuant to that certain Loan Agreement dated as of the date hereof between Mortgagor and Mortgagee (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the "*Loan Agreement*"), and evidenced by that certain Consolidated, Amended and Restated Promissory Note dated the date hereof made by Mortgagor to Mortgagee (such Note, together with all extensions, renewals, replacements, restatements or modifications thereof, being hereinafter referred to as the "*Note*"). Capitalized terms used herein without definition shall have the meanings ascribed to such terms in the Loan Agreement.

B. Mortgagor desires to secure the payment of the outstanding principal amount of the Loan together with all interest accrued and unpaid thereon and all other sums (including the Prepayment Fee, if any) due to Mortgagee in respect of the Loan under the Loan Documents (the "*Debt*") and the performance of all other Obligations (as defined herein).

C. This Mortgage is given pursuant to the Loan Agreement, and payment, fulfillment and performance by Mortgagor of its obligations thereunder and under the other Loan Documents are secured hereby, and each and every term and provision of the Loan Agreement, the Note, and that certain Assignment of Leases and Rents of even date herewith made by Mortgagor in favor of Mortgagee delivered in connection with this Mortgage (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the "*Assignment of Leases*"), including the rights, remedies, obligations, covenants, conditions, agreements, indemnities, representations and warranties of the parties therein, are hereby incorporated by reference herein as though set forth in full and shall be considered a part of this Mortgage.

D. NOW THEREFORE, in consideration of the making of the Loan by Mortgagee and the covenants, agreements, representations and warranties set forth in this Mortgage:

ARTICLE I.

GRANTS OF SECURITY

Section 1.01 Property Mortgaged. Mortgagor does hereby irrevocably mortgage, grant, bargain, sell, pledge, assign, warrant, transfer and convey to Mortgagee and its successors and assigns, **WITH POWER OF SALE**, all right, title, interest and estate of Mortgagor now owned, or hereafter acquired, in and to the following (collectively, the "**Property**"):

(a) **Office Units.** The real property described in Exhibit A attached hereto and made a part hereof (the "**Office Units**"), including, but not limited to, the unit or units (collectively, the "**Unit**") in the condominium (the "**Condominium**") established pursuant to the instruments more particularly described on Exhibit A, together with the interest of the owner of the Unit in the common areas or elements of the Condominium (including without limitation, all common elements and appurtenant interests related thereto), all as more particularly described on Exhibit A attached hereto and incorporated herein by this reference;

(b) **Additional Property.** All additional lands, estates and development rights hereafter acquired by Mortgagor for use in connection with the Office Units and the development of the Office Units and all additional lands and estates therein which may, from time to time, by supplemental mortgage or otherwise be expressly made subject to the lien of this Mortgage;

(c) **Improvements.** The buildings, structures, fixtures, additions, enlargements, extensions, modifications, repairs, replacements and improvements now or hereafter erected or located on the Office Units (collectively, the "**Improvements**");

(d) **Easements.** All easements, rights-of-way or use, rights, strips and gores of land, streets, ways, alleys, passages, sewer rights, water, water courses, water rights and powers, air rights and development rights, and all estates, rights, titles, interests, privileges, liberties, servitudes, tenements, hereditaments and appurtenances of any nature whatsoever, in any way now or hereafter belonging, relating or pertaining to the Office Units and the Improvements and the reversion and reversions, remainder and remainders, and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Office Units, to the center line thereof and all the estates, rights, titles, interests, dower and rights of dower, curtesy and rights of curtesy, property, possession, claim and demand whatsoever, both at law and in equity, of Mortgagor of, in and to the Office Units and the Improvements and every part and parcel thereof, with the appurtenances thereto;

(e) **Equipment.** All "equipment," as such term is defined in Article 9 of the Uniform Commercial Code (as hereinafter defined), now owned or hereafter acquired by Mortgagor, which is used at or in connection with the Improvements or the Office Units or is located thereon or therein (including, but not limited to, all machinery, equipment, furnishings, and electronic data-processing and other office equipment now owned or hereafter acquired by Mortgagor and any and all additions, substitutions and replacements of any of the foregoing), together with all attachments, components, parts, equipment and accessories installed thereon or affixed thereto (collectively, the "**Equipment**"). Notwithstanding the foregoing, Equipment shall

not include any property belonging to Tenants under Leases except to the extent that Mortgagor shall have any right or interest therein;

(f) **Fixtures.** All Equipment now owned, or the ownership of which is hereafter acquired, by Mortgagor which is so related to the Office Units and Improvements forming part of the Property that it is deemed fixtures or real property under the law of the particular state in which the Equipment is located, including, without limitation, all building or construction materials intended for construction, reconstruction, alteration or repair of or installation on the Property, construction equipment, appliances, machinery, plant equipment, fittings, apparatuses, fixtures and other items now or hereafter attached to, installed in or used in connection with (temporarily or permanently) any of the Improvements or the Office Units, including, but not limited to, engines, devices for the operation of pumps, pipes, plumbing, cleaning, call and sprinkler systems, fire extinguishing apparatuses and equipment, heating, ventilating, plumbing, laundry, incinerating, electrical, air conditioning and air cooling equipment and systems, gas and electric machinery, appurtenances and equipment, pollution control equipment, security systems, disposals, dishwashers, refrigerators and ranges, recreational equipment and facilities of all kinds, and water, gas, electrical, storm and sanitary sewer facilities, utility lines and equipment (whether owned individually or jointly with others, and, if owned jointly, to the extent of Mortgagor's interest therein) and all other utilities whether or not situated in easements, all water tanks, water supply, water power sites, fuel stations, fuel tanks, fuel supply, and all other structures, together with all accessions, appurtenances, additions, replacements, betterments and substitutions for any of the foregoing and the proceeds thereof (collectively, the "**Fixtures**"). Notwithstanding the foregoing, "Fixtures" shall not include any property which Tenants are entitled to remove pursuant to Leases except to the extent that Mortgagor shall have any right or interest therein;

(g) **Personal Property.** All furniture, furnishings, objects of art, machinery, goods, tools, supplies, appliances, general intangibles, contract rights, accounts, accounts receivable, franchises, licenses, certificates and permits, and all other personal property of any kind or character whatsoever (as defined in and subject to the provisions of the Uniform Commercial Code), other than Fixtures, which are now or hereafter owned by Mortgagor and which are located within or about the Office Units and the Improvements, together with all accessories, replacements and substitutions thereto or therefor and the proceeds thereof (collectively, the "**Personal Property**"), and the right, title and interest of Mortgagor in and to any of the Personal Property which may be subject to any security interests, as defined in the Uniform Commercial Code, as adopted and enacted by the state or states where the applicable portion of the Property is located (as amended and in effect from time to time, the "**Uniform Commercial Code**"), superior in lien to the lien of this Mortgage, and all proceeds and products of any of the above;

(h) **Leases and Rents.** All leases, subleases or sub-subleases, lettings, licenses, concessions or other agreements (whether written or oral) pursuant to which any Person is granted a possessory interest in, or right to use or occupy all or any portion of the Office Units and the Improvements, and every modification, amendment or other agreement relating to such leases, subleases, sub-subleases, or other agreements entered into in connection with such leases, subleases, sub-subleases, or other agreements and every guarantee of the performance and observance of the covenants, conditions and agreements to be performed and observed by the

other party thereto, heretofore or hereafter entered into, whether before or after the filing by or against Mortgagor of any petition for relief under 11 U.S.C. §101 et seq., as the same may be amended from time to time, and any successor statute or statutes and all rules and regulations from time to time promulgated thereunder (the "**Bankruptcy Code**") (collectively, the "**Leases**"), and all right, title and interest of Mortgagor, its successors and assigns, therein and thereunder, including, without limitation, cash or securities deposited thereunder to secure the performance by the Tenants of their obligations thereunder and all rents, additional rents, revenues, issues and profits (including all oil and gas or other mineral royalties and bonuses) from the Office Units and the Improvements, whether paid or accruing before or after the filing by or against Mortgagor of any petition for relief under the Bankruptcy Code (collectively, the "**Rents**"), and all proceeds from the sale or other disposition of the Leases and the right to receive and apply the Rents to the payment and performance of the Obligations, including the payment of the Debt;

(i) **Condemnation Awards.** Subject to the terms of the Loan Agreement, all awards or payments, including interest thereon, which may heretofore and hereafter be made with respect to the Property, whether from the exercise of the right of eminent domain (including, but not limited to, any transfer made in lieu of or in anticipation of the exercise of such right), or for a change of grade, or for any other injury to or decrease in the value of the Property;

(j) **Insurance Proceeds.** Subject to the terms of the Loan Agreement, all proceeds in respect of the Property under any insurance policies covering the Property, including, without limitation, the right to receive and apply the proceeds of any insurance, judgments or settlements made in lieu thereof, for damage to the Property;

(k) **Tax Certiorari.** All refunds, rebates or credits in connection with any reduction in Taxes or Other Charges charged against the Property as a result of tax certiorari proceedings or any other applications or proceedings for reduction;

(l) **Rights.** The right, in the name and on behalf of Mortgagor, to appear in and defend any action or proceeding brought with respect to the Property and to commence any action or proceeding to protect the interest of Mortgagee in the Property;

(m) **Agreements.** To the extent the same may be encumbered or assigned by Mortgagor pursuant to the terms thereof without occurrence of a breach or default thereunder, and without impairment of the validity or enforceability thereof, all agreements, contracts, certificates, instruments, franchises, permits, licenses, plans, specifications and other documents, now or hereafter entered into, and all rights therein and thereto, respecting or pertaining to the use, occupation, construction, management or operation of the Office Units and any part thereof and any Improvements or respecting any business or activity conducted on the Office Units and any part thereof and all right, title and interest of Mortgagor therein and thereunder, including, without limitation, the right, upon the happening of any default hereunder, to receive and collect any sums payable to Mortgagor thereunder;

(n) **Intellectual Property.** All tradenames, trademarks, servicemarks, logos, copyrights, goodwill, books and records and all other general intangibles relating to or used in connection with the operation of the Property;

(o) Accounts. (i) All accounts receivable and (ii) the Clearing Account, the Deposit Account and the Cash Management Accounts and all other reserves, escrows and deposit accounts maintained by Mortgagor with respect to the Property as required pursuant to the terms of the Loan Documents, together with all deposits or wire transfers made to such accounts, and all cash, checks, drafts, certificates, securities, investment property, financial assets, instruments and other property held therein from time to time, and all proceeds, products, distributions, dividends and/or substitutions thereon and thereof;

(p) Uniform Commercial Code Property. All documents, instruments, chattel paper and intangibles, as the foregoing terms are defined in the Uniform Commercial Code, and general intangibles relating to the Property;

(q) Proceeds. Subject to the terms of the Loan Agreement, all proceeds of any of the foregoing, including, without limitation, proceeds of insurance and condemnation awards, whether in cash or in liquidation or other claims, or otherwise; and

(r) Other Rights. Any and all other rights of Mortgagor in and to the items set forth in Subsections (a) through (t) above.

AND, without limiting any of the other provisions of this Mortgage, to the extent permitted by applicable law, Mortgagor expressly grants to Mortgagee, as secured party, a security interest in the portion of the Property which is or may be subject to the provisions of the Uniform Commercial Code which are applicable to secured transactions; it being understood and agreed that the Improvements and Fixtures are part and parcel of the Office Units (the Office Units, the Improvements and the Fixtures collectively referred to as the "**Real Property**") appropriated to the use thereof and, whether affixed or annexed to the Office Units or not, shall for the purposes of this Mortgage be deemed conclusively to be real estate and mortgaged hereby.

Section 1.02 Assignment of Rents. Mortgagor hereby absolutely and unconditionally assigns to Mortgagee all of Mortgagor's right, title and interest in and to all current and future Leases and Rents; it being intended by Mortgagor that this assignment constitutes a present, absolute assignment and not an assignment for additional security only. Notwithstanding the foregoing, subject to the terms of the Assignment of Leases, the Cash Management Agreement, and Section 7.01(h) of this Mortgage, Mortgagee grants to Mortgagor a revocable license to collect, receive, use and enjoy the Rents. Mortgagor shall hold the Rents, or a portion thereof sufficient to discharge all current sums due on the Debt, for use in the payment of such sums.

Section 1.03 Security Agreement. This Mortgage is both a real property mortgage and a "security agreement" within the meaning of the Uniform Commercial Code. The Property includes both real and personal property and all other rights and interests, whether tangible or intangible in nature, of Mortgagor in the Property. By executing and delivering this Mortgage, Mortgagor hereby grants to Mortgagee, as security for the Obligations, a security interest in the Fixtures, the Equipment, the Personal Property and the other property constituting the Property to the full extent that the Fixtures, the Equipment, the Personal Property and such other property may be subject to the Uniform Commercial Code (said portion of the Property so subject to the Uniform Commercial Code being called the "**Collateral**"). Mortgagor authorizes Mortgagee to file or record financing statements with respect to the Collateral in such form and in such offices

as are necessary to perfect the security interests of the Mortgagee under this Mortgage. Without in any way increasing the collateral granted hereunder or under the other Loan Documents, Mortgagor authorizes Mortgagee to use collateral descriptions such as "all personal property" or "all assets", in each case "whether now owned or hereafter acquired", whether or not specifically describing good that are or are to become fixtures, or to use words of similar import in any such financing statements. If an Event of Default shall occur and be continuing, Mortgagee, in addition to any other rights and remedies which it may have, shall have and may exercise immediately and without demand, any and all rights and remedies granted to a secured party upon default under the Uniform Commercial Code, including, without limiting the generality of the foregoing, the right to take possession of the Collateral or any part thereof, and to take such other measures as Mortgagee may deem necessary for the care, protection and preservation of the Collateral. Upon request or demand of Mortgagee after the occurrence and during the continuance of an Event of Default, Mortgagor shall, at its expense, assemble the Collateral and make it available to Mortgagee at a convenient place (at the Office Units if tangible property) reasonably acceptable to Mortgagee. Mortgagor shall pay to Mortgagee on demand any and all reasonable out-of-pocket expenses, including reasonable attorneys' fees and costs, incurred or paid by Mortgagee in protecting its interest in the Collateral and in enforcing its rights hereunder with respect to the Collateral after the occurrence and during the continuance of an Event of Default. Any notice of sale, disposition or other intended action by Mortgagee with respect to the Collateral sent to Mortgagor in accordance with the provisions hereof at least ten (10) Business Days prior to such action, shall, except as otherwise provided by applicable law, constitute reasonable notice to Mortgagor. The proceeds of any disposition of the Collateral, or any part thereof, may, except as otherwise required by applicable law, be applied by Mortgagee to the payment of the Debt in such priority and proportions as set forth in Loan Agreement. The principal place of business of Mortgagor (Debtor) is as set forth in the introductory paragraph hereof and the address of Mortgagee (Secured Party) is as set forth in the introductory paragraph hereof.

Section 1.04 Fixture Filing. Certain of the Property is or will become "fixtures" (as that term is defined in the Uniform Commercial Code) on the Office Units, described or referred to in this Mortgage, and this Mortgage, upon being filed for record in the real estate records of the city or county wherein such fixtures are situated, shall operate also as a financing statement naming Mortgagor as the Debtor and Mortgagee as the Secured Party filed as a fixture filing in accordance with the applicable provisions of said Uniform Commercial Code upon such of the Property that is or may become fixtures.

CONDITIONS TO GRANT

TO HAVE AND TO HOLD the above granted and described Property unto and to the use and benefit of Mortgagee and its successors and assigns, forever;

PROVIDED, HOWEVER, these presents are upon the express condition that, if Mortgagor shall well and truly pay and perform the Obligations (including the payment of the Debt) at the time and in the manner provided in this Mortgage, the Note, the Loan Agreement and the other Loan Documents, and shall well and truly abide by and comply with each and every Other Obligation set forth herein and in the Note, the Loan Agreement and the other Loan Documents, these presents and the estate hereby granted shall cease, terminate and be void;

provided, however, that Mortgagor's obligation to indemnify and hold harmless Mortgagee pursuant to the provisions hereof shall survive any such payment or release.

ARTICLE II.

DEBT AND OBLIGATIONS SECURED

Section 2.01 Obligations. This Mortgage and the grants, assignments and transfers made in Article 1 are given for the purpose of securing the Obligations, including, but not limited to, the payment of the Debt.

Section 2.02 Other Obligations. This Mortgage and the grants, assignments and transfers made in Article 1 are also given for the purpose of securing the following (collectively, the "Other Obligations"):

- (a) the performance of all other obligations of Mortgagor contained herein;
- (b) the performance of each obligation of Mortgagor contained in the Loan Agreement and in each other Loan Document; and
- (c) the performance of each obligation of Mortgagor contained in any renewal, extension, amendment, modification, consolidation, change of, or substitution or replacement for, all or any part of the Note, the Loan Agreement or any other Loan Document.

Section 2.03 Variable Interest Rate. The Loan secured by this Mortgage is a variable interest rate loan, as more particularly set forth in the Loan Agreement.

Section 2.04 Debt and Other Obligations. Mortgagor's obligations for the payment of the Debt and the performance of the Other Obligations shall be referred to collectively herein as the "Obligations."

Section 2.05 Loan Repayment. This Mortgage will be satisfied and discharged of record by Mortgagee prior to the Maturity Date only in accordance with the terms and provisions set forth in the Loan Agreement.

ARTICLE III.

MORTGAGOR COVENANTS

Mortgagor covenants and agrees that throughout the term of the Loan:

Section 3.01 Payment of Debt. Mortgagor will pay the Debt at the time and in the manner provided in the Loan Agreement, the Note and this Mortgage.

Section 3.02 Incorporation by Reference. All the covenants, conditions and agreements contained in (a) the Loan Agreement, (b) the Note, and (c) all and any of the other Loan Documents, are hereby made a part of this Mortgage to the same extent and with the same force as if fully set forth herein. Without limiting the generality of the foregoing, Mortgagor

(i) agrees to insure, repair, maintain and restore damage to the Property, pay Taxes and Other Charges, and comply with Legal Requirements, in each case, to the extent required by and in accordance with the Loan Agreement, and (ii) agrees that the Insurance Proceeds and Awards shall be settled, held, applied and/or disbursed in accordance with the Loan Agreement.

Section 3.03 Performance of Other Agreements. Mortgagor shall observe and perform each and every term, covenant and provision required to be observed or performed by Mortgagor pursuant to the Loan Agreement or any other Loan Document.

ARTICLE IV.

OBLIGATIONS AND RELIANCES

Section 4.01 Relationship of Mortgagor and Mortgagee. The relationship between Mortgagor and Mortgagee is solely that of debtor and creditor, and Mortgagee has no fiduciary or other special relationship with Mortgagor, and no term or condition of any of the Loan Agreement, the Note, this Mortgage or the other Loan Documents shall be construed so as to deem the relationship between Mortgagor and Mortgagee to be other than that of debtor and creditor.

Section 4.02 No Reliance on Mortgagee. The general partners, members, principals and (if Mortgagor is a trust) beneficial owners of Mortgagor, as applicable, are experienced in the ownership and operation of properties similar to the Property, and Mortgagor and Mortgagee are relying solely upon such expertise in connection with the ownership and operation of the Property. Mortgagor is not relying on Mortgagee's expertise, business acumen or advice in connection with the Property.

Section 4.03 No Mortgagee Obligations.

(a) Notwithstanding the provisions of Subsections 1.01(h) and (m) or Section 1.02, Mortgagee is not undertaking the performance of (i) any obligations under the Leases, or (ii) any obligations with respect to any other agreements, contracts, certificates, instruments, franchises, permits, trademarks, licenses or other documents described in Subsection 1.01(h) or (m).

(b) By accepting or approving anything required to be observed, performed or fulfilled or to be given to Mortgagee pursuant to this Mortgage, the Loan Agreement, the Note or the other Loan Documents, including, without limitation, any officer's certificate, balance sheet, statement of profit and loss or other financial statement, survey, appraisal or insurance policy, Mortgagee shall not be deemed to have warranted, consented to, or affirmed the sufficiency, legality or effectiveness of same, and such acceptance or approval thereof shall not constitute any warranty or affirmation with respect thereto by Mortgagee.

Section 4.04 Reliance. Mortgagor recognizes and acknowledges that in accepting the Loan Agreement, the Note, this Mortgage and the other Loan Documents, Mortgagee is expressly and primarily relying on the truth and accuracy of the warranties and representations set forth in Article 3 of the Loan Agreement without any obligation to investigate the Property and notwithstanding any investigation of the Property by Mortgagee; that such reliance existed

on the part of Mortgagee prior to the date hereof; that such warranties and representations are a material inducement to Mortgagee in making the Loan; and that Mortgagee would not be willing to make the Loan and accept this Mortgage in the absence of the warranties and representations as set forth in Article 3 of the Loan Agreement.

ARTICLE V.

FURTHER ASSURANCES

Section 5.01 Recording of Mortgage, Etc. Mortgagor forthwith upon the execution and delivery of this Mortgage and thereafter, from time to time, will cause this Mortgage and any of the other Loan Documents creating a Lien or security interest or evidencing the Lien hereof upon the Property and each instrument of further assurance to be filed, registered or recorded in such manner and in such places as may be reasonably required by any present or future law in order to publish notice of and fully to protect and perfect the Lien or security interest hereof upon, and the interest of Mortgagee in, the Property. Mortgagor will pay all taxes, filing, registration or recording fees, and all expenses incident to the preparation, execution, acknowledgment and/or recording of the Note, this Mortgage, the other Loan Documents, any note, deed of trust or mortgage supplemental hereto, any security instrument with respect to the Property and any instrument of further assurance, and any modification or amendment of any of the foregoing documents, and all federal, state, county and municipal taxes, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of this Mortgage, any deed of trust or mortgage supplemental hereto, any security instrument with respect to the Property or any instrument of further assurance, and any modification or amendment of any of the foregoing documents, except where prohibited by law so to do.

Section 5.02 Further Acts, Etc. Mortgagor will, at the reasonable cost of Mortgagor, and without expense to Mortgagee, do, execute, acknowledge and deliver all and every such further acts, deeds, conveyances, deeds of trust, mortgages, assignments, notices of assignments, transfers and assurances as Mortgagee shall, from time to time, reasonably require, for the better assuring, conveying, assigning, transferring, and confirming unto Mortgagee the property and rights hereby mortgaged, deeded, granted, bargained, sold, conveyed, confirmed, pledged, assigned, warranted and transferred or intended now or hereafter so to be, or which Mortgagor may be or may hereafter become bound to convey or assign to Mortgagee pursuant to the terms of this Mortgage or any other Loan Document, or for carrying out the intention or facilitating the performance of the terms of this Mortgage or for filing, registering or recording this Mortgage; provided that in no event shall Mortgagor be required to execute, acknowledge or deliver any act, deed, conveyance, deed of trust, mortgage, assignment, notice of assignment, transfer or assurance that materially increases Mortgagor's obligations or materially reduces Mortgagor's rights under the Loan Documents except those in confirmation of the Loan Documents. Mortgagor, on demand, will execute and deliver, and in the event it shall fail to so execute and deliver, hereby authorizes Mortgagee to execute in the name of Mortgagor or without the signature of Mortgagor to the extent Mortgagee may lawfully do so, one or more financing statements to evidence more effectively the security interest of Mortgagee in the Property. Mortgagor grants to Mortgagee an irrevocable power of attorney coupled with an interest for the purpose of exercising and perfecting upon the occurrence and during the continuance of an Event

of Default any and all rights and remedies available to Mortgagee at law and in equity, including, without limitation, such rights and remedies available to Mortgagee pursuant to this Section 5.02.

Section 5.03 Changes in Tax, Debt, Credit and Documentary Stamp Laws.

(a) If any law is enacted or adopted or amended after the date of this Mortgage which deducts the Debt or any Taxes or Other Charges assessed against the Property from the value of the Property for the purpose of taxation or which imposes a tax (other than income taxes), either directly or indirectly, on the Debt or Mortgagee's interest in the Property, Mortgagor will pay the tax, with interest and penalties thereon, if any. If Mortgagee is advised by counsel chosen by it that the payment of such tax by Mortgagor would be unlawful or taxable to Mortgagee (unless Mortgagee agrees to pay such tax) or unenforceable or provide the basis for a defense of usury, then Mortgagee shall have the option by written notice of not less than one hundred eighty (180) days to declare the Debt immediately due and payable, in which case, no yield maintenance or other prepayment premium or prepayment penalty shall be due in connection with any such prepayment.

(b) Mortgagor will not claim or demand or be entitled to any credit or credits on account of the Debt for any part of the Taxes or Other Charges assessed against the Property, or any part thereof, and no deduction shall otherwise be made or claimed from the assessed value of the Property, or any part thereof, for real estate tax purposes by reason of this Mortgage or the Debt. If such claim, credit or deduction shall be required by law, Mortgagee shall have the option, by written notice of not less than one hundred eighty (180) days, to declare the Debt immediately due and payable, in which case, no yield maintenance or other prepayment premium or prepayment penalty shall be due in connection with any such prepayment.

(c) If at any time the United States of America, any State thereof or any subdivision of any such State shall require revenue or other stamps to be affixed to the Note, this Mortgage, or any of the other Loan Documents or shall impose any other tax or charge on the same, Mortgagor will pay for the same, with interest and penalties thereon, if any.

ARTICLE VI.

DUE ON SALE/ENCUMBRANCE

Section 6.01 Mortgagee Reliance. Mortgagor acknowledges that Mortgagee has examined and relied on the experience of Mortgagor and its general partners, members, principals and (if Mortgagor is a trust) beneficial owners in owning and operating properties such as the Property in agreeing to make the Loan, and will continue to rely on Mortgagor's ownership of the Property as a means of maintaining the value of the Property as security for the payment and performance of the Obligations, including the repayment of the Debt. Mortgagor acknowledges that Mortgagee has a valid interest in maintaining the value of the Property so as to ensure that, should Mortgagor default in the payment and/or performance of the Obligations, including the repayment of the Debt, Mortgagee can recover the Debt by a sale of the Property.

Section 6.02 No Transfer. Mortgagor shall not permit or suffer any Transfer of all or any portion of the Property or any direct or indirect interest therein or any Transfer of any direct

or indirect interest in Mortgagor to occur except in accordance with the terms of the Loan Agreement or, otherwise, without the prior written consent of Mortgagee.

ARTICLE VII.

RIGHTS AND REMEDIES UPON DEFAULT

Section 7.01 Remedies. Upon the occurrence and during the continuance of any Event of Default, Mortgagor agrees that Mortgagee may take such action, without notice or demand, as it deems advisable to protect and enforce its rights against Mortgagor and in and to the Property, including, but not limited to, the following actions, each of which may be pursued concurrently or otherwise, at such time and in such order as Mortgagee may determine, in its sole discretion, without impairing or otherwise affecting the other rights and remedies of Mortgagee:

(a) declare the entire unpaid Debt to be immediately due and payable;

(b) institute proceedings, judicial or otherwise, for the complete foreclosure of this Mortgage under any applicable provision of law, in which case the Property or any interest therein may be sold for cash or upon credit in one or more parcels or in several interests or portions and in any order or manner;

(c) with or without entry, to the extent permitted and pursuant to the procedures provided by applicable law, institute proceedings for the partial foreclosure of this Mortgage for the portion of the Debt then due and payable, subject to the continuing lien and security interest of this Mortgage for the balance of the Obligations not then due, unimpaired and without loss of priority;

(d) sell for cash or upon credit the Property or any part thereof and all estate, claim, demand, right, title and interest of Mortgagor therein and rights of redemption thereof, pursuant to power of sale or otherwise, at one or more sales, as an entirety or in parcels, at such time and place, upon such terms and after such notice thereof, all as may be required or permitted by law; and, without limiting the foregoing:

(i) in connection with any sale or sales hereunder, Mortgagee shall be entitled to elect to treat any of the Property which consists of (x) a right in action, or (y) property that can be severed from the Real Property covered hereby, or (z) any improvements (without causing structural damage thereto), as if the same were personal property, and dispose of the same in accordance with applicable law, separate and apart from the sale of the Real Property. Where the Property consists of Real Property, Personal Property, Equipment or Fixtures, whether or not such Personal Property or Equipment is located on or within the Real Property, Mortgagee shall be entitled to elect to exercise its rights and remedies against any or all of the Real Property, Personal Property, Equipment and Fixtures in such order and manner as is now or hereafter permitted by applicable law;

(ii) Mortgagee shall be entitled to elect to proceed against any or all of the Real Property, Personal Property, Equipment and Fixtures in any manner permitted under applicable law; and if Mortgagee so elects pursuant to applicable law, the power of sale herein granted shall be exercisable with respect to all or any of the Real Property, Personal Property,

Equipment and Fixtures covered hereby, as designated by Mortgagee and Mortgagee is hereby authorized and empowered to conduct any such sale of any Real Property, Personal Property, Equipment and Fixtures in accordance with the procedures applicable to the Real Property;

(iii) should Mortgagee elect to sell any portion of the Property which is Real Property or which is Personal Property, Equipment or Fixtures that the Mortgagee has elected under applicable law to sell together with Real Property in accordance with the laws governing a sale of the Real Property, Mortgagee shall give such notice of the occurrence of an Event of Default, if any, and its election to sell such Property, each as may then be required by law. Thereafter, upon the expiration of such time and the giving of such notice of sale as may then be required by law, subject to the terms hereof and of the other Loan Documents, and without the necessity of any demand on Mortgagor, Mortgagee at the time and place specified in the notice of sale, shall sell such Property or part thereof at public auction to the highest bidder for cash in lawful money of the United States. Mortgagee may from time to time postpone any sale hereunder by public announcement thereof at the time and place noticed for any such sale; and

(iv) if the Property consists of several lots, parcels or items of property, Mortgagee shall, subject to applicable law, (A) designate the order in which such lots, parcels or items shall be offered for sale or sold, or (B) elect to sell such lots, parcels or items through a single sale, or through two or more successive sales, or in any other manner Mortgagee designates. Any Person, including Mortgagor or Mortgagee, may purchase at any sale hereunder. Should Mortgagee desire that more than one sale or other disposition of the Property be conducted, Mortgagee shall, subject to applicable law, cause such sales or dispositions to be conducted simultaneously, or successively, on the same day, or at such different days or times and in such order as Mortgagee may designate, and no such sale shall terminate or otherwise affect the Lien of this Mortgage on any part of the Property not sold until all the Obligations have been satisfied in full. In the event Mortgagee elects to dispose of the Property through more than one sale, except as otherwise provided by applicable law, Mortgagor agrees to pay the reasonable costs and expenses of each such sale and of any judicial proceedings wherein such sale may be made;

(e) institute an action, suit or proceeding in equity for the specific performance of any covenant, condition or agreement contained herein, in the Note, in the Loan Agreement or in the other Loan Documents;

(f) recover judgment on the Note either before, during or after any proceedings for the enforcement of this Mortgage or the other Loan Documents;

(g) apply for the appointment of a receiver, trustee, liquidator or conservator of the Property, without notice and without regard for the adequacy of the security for the Debt and without regard for the solvency of Mortgagor, any guarantor or indemnitor with respect to the Loan or any Person otherwise liable for the payment of the Debt or any part thereof;

(h) the license granted to Mortgagor under Section 1.02 hereof shall automatically be revoked and Mortgagee may, upon written notice to Mortgagor, enter into or upon the Property, either personally or by its agents, nominees or attorneys and dispossess

Mortgagor and its agents and servants therefrom, without liability for trespass, damages or otherwise and exclude Mortgagor and its agents or servants wholly therefrom, and take possession of all books, records and accounts relating thereto and Mortgagor agrees to surrender possession of the Property and of such books, records and accounts to Mortgagee upon demand, and thereupon Mortgagee may (i) use, operate, manage, control, insure, maintain, repair, restore and otherwise deal with all and every part of the Property and conduct the business thereat; (ii) complete any construction on the Property in such manner and form as Mortgagee deems advisable; (iii) make necessary alterations, additions, renewals, replacements and improvements to or on the Property; (iv) exercise all rights and powers of Mortgagor with respect to the Property, whether in the name of Mortgagor or otherwise, including, without limitation, the right to make, cancel, enforce or modify Leases, obtain and evict Tenants and demand, sue for, collect and receive all Rents of the Property and every part thereof; (v) require Mortgagor to pay monthly in advance to Mortgagee, or any receiver appointed to collect the Rents, the fair and reasonable rental value for the use and occupation of such part of the Property as may be occupied by Mortgagor; (vi) require Mortgagor to vacate and surrender possession of the Property to Mortgagee or to such receiver and, in default thereof, Mortgagor may be evicted by summary proceedings or otherwise; and (vii) apply the receipts from the Property to the payment and performance of the Obligations (including, without limitation, the payment of the Debt), in such order, priority and proportions as set forth in this Mortgage after deducting therefrom all reasonable out-of-pocket expenses (including reasonable attorneys' fees and costs) incurred in connection with the aforesaid operations and all amounts necessary to pay the Taxes, Other Charges, Insurance Premiums and other expenses in connection with the Property;

(i) exercise any and all rights and remedies granted to a secured party upon default under the Uniform Commercial Code, including, without limiting the generality of the foregoing: (i) the right to take possession of the Fixtures, the Equipment and/or the Personal Property, or any part thereof, and to take such other measures as Mortgagee may deem necessary for the care, protection and preservation of the Fixtures, the Equipment and the Personal Property, and (ii) request Mortgagor, at its sole cost and expense, to assemble the Fixtures, the Equipment and/or the Personal Property and make it available to Mortgagee at a convenient place acceptable to Mortgagee. Any notice of sale, disposition or other intended action by Mortgagee with respect to the Fixtures, the Equipment and/or the Personal Property sent to Mortgagor in accordance with the provisions hereof at least ten (10) days prior to such action, shall constitute commercially reasonable notice to Mortgagor;

(j) apply any sums then deposited or held in escrow or otherwise by or on behalf of Mortgagee in accordance with the terms of the Loan Agreement, this Mortgage or any other Loan Document to the payment of the following items in the following order of priority:

- (i) Taxes and Other Charges;
- (ii) Insurance Premiums;
- (iii) interest on the unpaid principal balance of the Note;

(iv) all other sums payable pursuant to the Note, the Loan Agreement, this Mortgage and the other Loan Documents, including, without limitation, the Prepayment Fee, if applicable, and advances made by Mortgagee pursuant to the terms of this Mortgage; and

(v) amortization of the unpaid principal balance of the Note;

(k) pursue such other remedies as may be available at law or in equity; and/or

(l) apply the undisbursed balance of any Net Proceeds Deficiency deposit, together with interest thereon, to the payment of the Debt in such order, priority and proportions as set forth herein.

In the event of a sale, by foreclosure, power of sale or otherwise, of less than all of the Property, this Mortgage shall continue as a Lien and security interest on the remaining portion of the Property unimpaired and without loss of priority.

Section 7.02 Application of Proceeds. The purchase money proceeds and avails of any disposition of the Property or any part thereof, or any other sums collected by Mortgagee pursuant to the Note, this Mortgage or the other Loan Documents, may be applied by Mortgagee to the payment of the Obligations in such priority and proportions as set forth herein, to the extent consistent with law.

Section 7.03 Right to Cure Defaults. Upon the occurrence and during the continuance of any Event of Default, Mortgagee may, but without any obligation to do so and without notice to or demand on Mortgagor and without releasing Mortgagor from any obligation hereunder, perform the obligations giving rise to such Event of Default in such manner and to such extent as Mortgagee may deem necessary to protect the security hereof. Mortgagee is authorized to enter upon the Property for such purposes or appear in, defend or bring any action or proceeding to protect its interest in the Property or to foreclose this Mortgage or collect the Debt, and the reasonable cost and expense thereof (including reasonable attorneys' fees and disbursements to the extent permitted by law), with interest thereon at the Default Rate for the period after notice from Mortgagee that such cost or expense was incurred to the date of payment to Mortgagee, shall constitute a portion of the Debt, shall be secured by this Mortgage and the other Loan Documents and shall be due and payable to Mortgagee upon demand.

Section 7.04 Other Rights, Etc.

(a) The failure of Mortgagee to insist upon strict performance of any term hereof shall not be deemed to be a waiver of any term of this Mortgage. Mortgagor shall not be relieved of Mortgagor's obligations hereunder by reason of (i) the failure of Mortgagee to comply with any request of Mortgagor or any guarantor or indemnitor with respect to the Loan to take any action to foreclose this Mortgage or otherwise enforce any of the provisions hereof or of the Note or the other Loan Documents, (ii) the release, regardless of consideration, of the whole or any part of the Property, or of any Person liable for the Obligations or any portion thereof, or (iii) any agreement or stipulation by Mortgagee extending the time of payment or otherwise modifying or supplementing the terms of the Note, this Mortgage or the other Loan Documents.

(b) It is agreed that the risk of loss or damage to the Property is on Mortgagor, and Mortgagee shall have no liability whatsoever for any decline in value of the Property, for failure to maintain the Policies, or for failure to determine whether insurance in force is adequate as to the amount of risks insured. Possession by Mortgagee shall not be deemed an election of judicial relief, if any such possession is requested or obtained, with respect to any Property or collateral not in Mortgagee's possession.

(c) Upon the occurrence and during the continuance of an Event of Default, Mortgagee may resort for the payment and performance of the Obligations (including, but not limited to, the payment of the Debt) to any other security held by Mortgagee in such order and manner as Mortgagee, in its discretion, may elect. Mortgagee may take action to recover the Debt, or any portion thereof, or to enforce the Other Obligations, without prejudice to the right of Mortgagee thereafter to foreclose this Mortgage. The rights of Mortgagee under this Mortgage shall be separate, distinct and cumulative and none shall be given effect to the exclusion of the others. No act of Mortgagee shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision. Mortgagee shall not be limited exclusively to the rights and remedies herein stated but shall be entitled to every right and remedy now or hereafter afforded at law or in equity.

Section 7.05 Right to Release Any Portion of the Property. Subject to the terms of Section 7.2 and 7.4 of the Loan Agreement, Mortgagee may release any portion of the Property for such consideration as Mortgagee may require without, as to the remainder of the Property, in any way impairing or affecting the Lien or priority of this Mortgage, or improving the position of any subordinate lienholder with respect thereto, except to the extent that the Debt shall have been reduced by the actual monetary consideration, if any, received by Mortgagee for such release, and Mortgagee may accept by assignment, pledge or otherwise any other property in place thereof as Mortgagee may require without being accountable for so doing to any other lienholder. This Mortgage shall continue as a Lien and security interest in the remaining portion of the Property.

Section 7.06 Right of Entry. Mortgagee and its agents shall have the right to enter and inspect the Property on the terms set forth in Section 4.10 of the Loan Agreement.

ARTICLE VIII.

INDEMNIFICATION

Section 8.01 Mortgage and/or Intangible Tax. Mortgagor shall, at its sole cost and expense, protect, defend, indemnify, release and hold harmless Mortgagee and any Person claiming by or through Mortgagee (collectively with Mortgagee, the "**Indemnified Parties**") from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs and expenses (including reasonable out-of-pocket attorneys' fees and expenses) but excluding lost profits, diminution in value and other consequential, punitive or special damages, collectively, "**Losses**") imposed upon or incurred by or asserted against any Indemnified Party and directly or indirectly arising out of or in any way relating to any mortgage, recording, stamp, intangible or other similar taxes required to be paid by any Person under applicable Legal Requirements in connection with the execution, delivery, recordation,

filing, registration, perfection or enforcement of this Mortgage or any of the Loan Documents (but excluding any income, franchise or other similar taxes).

Section 8.02 Duty to Defend; Attorneys' Fees and Other Fees and Expenses. If any of the Indemnified Parties claims indemnification hereunder, such Indemnified Party shall promptly notify Mortgagor in writing of the nature and basis of the claim or legal or administrative proceeding giving rise to such claim for indemnification (each, an "**Indemnified Claim**"). Upon written request by any Indemnified Party, Mortgagor shall defend such Indemnified Party (if requested by any Indemnified Party, in the name of the Indemnified Party) by attorneys and other professionals reasonably approved by the Indemnified Parties and shall have the right to negotiate and enter into and/or consent to any settlement, subject to the prior approval of the Indemnified Party (which approval shall not be unreasonably withheld), provided that (x) such approval shall not be required in connection with any settlement which includes any unconditional release of the Indemnified Party and all related actions for all liability for which the Indemnified Party is seeking indemnification and (y) there is no admission of wrongdoing on the part of the Indemnified Party. If Mortgagor has assumed the defense of any action brought against the Indemnified Parties, then the Indemnified Parties shall not settle such action without the consent of Mortgagor (which consent shall not be unreasonably withheld), provided that (x) such consent shall not be required in connection with any settlement which includes any unconditional release of the Indemnified Party and all related actions for all liability for which the Indemnified Party is seeking indemnification and (y) there is no admission of wrongdoing on the part of the Indemnified Party. Notwithstanding the foregoing, if the defendants in any such claim or proceeding include both Mortgagor and any Indemnified Party and Mortgagor and such Indemnified Party shall have reasonably concluded that there are any legal defenses available to it and/or other Indemnified Parties that are different from or in addition to those available to Mortgagor, such Indemnified Party shall have the right to reasonably select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on behalf of such Indemnified Party; provided that Mortgagor shall not be liable for the expenses of more than one such separate counsel unless an Indemnified Party shall have reasonably concluded that there may be legal defenses available to it that are different from or in addition to or in conflict with those available to another Indemnified Party. Upon demand and subject to the limitations set forth in this Section 8.02, Mortgagor shall pay or, in the sole and absolute discretion of the Indemnified Parties, reimburse, the Indemnified Parties for the payment of the reasonable out-of-pocket fees and disbursements of attorneys, engineers, environmental consultants, laboratories and other professionals in connection therewith.

ARTICLE IX.

WAIVERS

Section 9.01 Waiver of Counterclaim. To the extent permitted by applicable law, Mortgagor hereby waives the right to assert a counterclaim, other than a mandatory or compulsory counterclaim, in any action or proceeding brought against it by Mortgagee arising out of or in any way connected with this Mortgage, the Loan Agreement, the Note, any of the other Loan Documents or the Obligations.

Section 9.02 Marshalling and Other Matters. To the extent permitted by applicable law, Mortgagor hereby waives the benefit of all appraisal, valuation, stay, extension, reinstatement and redemption laws now or hereafter in force and all rights of marshalling in the event of any sale hereunder of the Property or any part thereof or any interest therein. Further, to the extent permitted by applicable law, Mortgagor hereby expressly waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage on behalf of Mortgagor, and on behalf of each and every Person acquiring any interest in or title to the Property subsequent to the date of this Mortgage.

Section 9.03 Waiver of Notice. To the extent permitted by applicable law, Mortgagor shall not be entitled to any notices of any nature whatsoever from Mortgagee, except with respect to matters for which this Mortgage or the other Loan Documents specifically and expressly provide for the giving of notice by Mortgagee to Mortgagor, and except with respect to matters for which Mortgagee is required by applicable law to give notice, and Mortgagor hereby expressly waives the right to receive any notice from Mortgagee with respect to any matter for which the Loan Documents do not specifically and expressly provide for, and applicable law does not otherwise require, the giving of notice by Mortgagee to Mortgagor.

Section 9.04 Waiver of Statute of Limitations. To the extent permitted by applicable law, Mortgagor hereby expressly waives and releases its right to plead any statute of limitations as a defense to the payment and performance of the Obligations (including, without limitation, the payment of the Debt).

Section 9.05 Waiver of Jury Trial. MORTGAGOR AND MORTGAGEE EACH HEREBY AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND EACH FOREVER WAIVES ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST, WITH REGARD TO THE NOTE, THIS MORTGAGE OR THE OTHER LOAN DOCUMENTS, OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY MORTGAGOR AND MORTGAGEE AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. MORTGAGEE AND MORTGAGOR ARE EACH HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY MORTGAGOR AND MORTGAGEE.

Section 9.06 Survival. The indemnifications made pursuant to Article 8 hereof shall continue indefinitely in full force and effect and shall survive and shall in no way be impaired by any satisfaction, release or other termination of this Mortgage or any other Loan Document, any assignment or other transfer of all or any portion of this Mortgage or any other Loan Document or Mortgagee's interest in the Property (but, in such case, such indemnifications shall benefit both the Indemnified Parties and any such assignee or transferee), (c) any exercise of Mortgagee's rights and remedies pursuant hereto, including, but not limited to, foreclosure or acceptance of a deed-in-lieu of foreclosure, any exercise of any rights and remedies pursuant to the Loan Agreement, the Note or any of the other Loan Documents, any transfer of all or any

portion of the Property (whether by Mortgagor or by Mortgagee following foreclosure or acceptance of a deed-in-lieu of foreclosure or at any other time), (d) any amendment to this Mortgage, the Loan Agreement, the Note or any other Loan Document, and/or (e) any act or omission that might otherwise be construed as a release or discharge of Mortgagor from the Obligations or any portion thereof.

ARTICLE X.

EXCULPATION

The provisions of Section 10.1 of the Loan Agreement are hereby incorporated by reference into this Mortgage to the same extent and with the same force as if fully set forth herein.

ARTICLE XI.

NOTICES

All notices or other written communications hereunder shall be delivered in accordance with Section 10.6 of the Loan Agreement.

ARTICLE XII.

APPLICABLE LAW

Section 12.01 Governing Law; Jurisdiction; Service of Process. THE LAW OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES, SHALL GOVERN ALL MATTERS RELATING TO THIS MORTGAGE AND THE OTHER LOAN DOCUMENTS AND ALL OF THE INDEBTEDNESS OR OBLIGATIONS ARISING HEREUNDER OR THEREUNDER. ALL PROVISIONS OF THE LOAN AGREEMENT INCORPORATED HEREIN BY REFERENCE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES, AS SET FORTH IN SECTION 10.4 OF THE LOAN AGREEMENT.

Section 12.02 Usury Laws. Notwithstanding anything to the contrary, (a) all agreements and communications between Mortgagor and Mortgagee are hereby and shall automatically be limited so that, after taking into account all amounts deemed to constitute interest, the interest contracted for, charged or received by Mortgagee shall never exceed the Maximum Legal Rate, (b) in calculating whether any interest exceeds the Maximum Legal Rate, all such interest shall be amortized, prorated, allocated and spread over the full amount and term of all principal indebtedness of Mortgagor to Mortgagee, and (c) if through any contingency or event, Mortgagee receives or is deemed to receive interest in excess of the Maximum Legal Rate, any such excess shall be deemed to have been applied toward payment of the principal of any and all then outstanding indebtedness of Mortgagor to Mortgagee, or if there is no such indebtedness, shall immediately be returned to Mortgagor.

Section 12.03 Provisions Subject to Applicable Law. All rights, powers and remedies provided in this Mortgage may be exercised only to the extent that the exercise thereof does not violate any applicable provisions of law and are intended to be limited to the extent necessary so that they will not render this Mortgage invalid, unenforceable or not entitled to be recorded, registered or filed under the provisions of any applicable law. If any term of this Mortgage or any application thereof shall be invalid or unenforceable, the remainder of this Mortgage and any other application of the term shall not be affected thereby.

ARTICLE XIII.

DEFINITIONS

Unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, words used in this Mortgage may be used interchangeably in the singular or plural form and the word "Mortgagor" shall mean "each Mortgagor, their successors and/or assigns" the word "Mortgagee" shall mean "Mortgagee and any subsequent holder of the Note," the word "Note" shall mean "the Note and any other evidence of indebtedness secured by this Mortgage," the word "Property" shall include any portion of the Property and any interest therein, and the phrases "attorneys' fees", "legal fees" and "counsel fees" shall include any and all reasonable out-of-pocket attorneys', paralegal and law clerk fees and disbursements, including, but not limited to, fees and disbursements at the pre-trial, trial and appellate levels, incurred or paid by Mortgagee in protecting its interest in the Property, the Leases and/or the Rents and/or in enforcing its rights hereunder. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms.

ARTICLE XIV.

MISCELLANEOUS PROVISIONS

Section 14.01 No Oral Change. This Mortgage, and any provisions hereof, may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Mortgagor or Mortgagee, but only by an agreement in writing signed by the party(ies) against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

Section 14.02 Successors and Assigns. This Mortgage shall be binding upon, and shall inure to the benefit of, Mortgagor and Mortgagee and their respective successors and permitted assigns, as set forth in the Loan Agreement.

Section 14.03 Inapplicable Provisions. If any provision of this Mortgage is held to be illegal, invalid or unenforceable under present or future laws effective during the term of this Mortgage, such provision shall be fully severable and this Mortgage shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Mortgage, and the remaining provisions of this Mortgage shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Mortgage, unless such continued effectiveness of this Mortgage, as modified, would be contrary to the basic understandings and intentions of the parties as expressed herein.

Section 14.04 Headings, Etc. The headings and captions of the various Sections of this Mortgage are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

Section 14.05 Subrogation. If any or all of the proceeds of the Note have been used to extinguish, extend or renew any indebtedness heretofore existing against the Property, then, to the extent of the funds so used, Mortgagee shall be subrogated to all of the rights, claims, liens, titles and interests existing against the Property heretofore held by, or in favor of, the holder of such indebtedness and such former rights, claims, liens, titles and interests, if any, are not waived, but rather are continued in full force and effect in favor of Mortgagee and are merged with the Lien and security interest created herein as cumulative security for the payment, performance and discharge of the Obligations (including, but not limited to, the payment of the Debt).

Section 14.06 Entire Agreement. The Note, the Loan Agreement, this Mortgage and the other Loan Documents constitute the entire understanding and agreement between Mortgagor and Mortgagee with respect to the transactions arising in connection with the Obligations which are the subject of this Mortgage and the other Loan Documents and supersede all prior written or oral understandings and agreements between Mortgagor and Mortgagee with respect thereto. Mortgagor hereby acknowledges that, except as incorporated in writing in the Note, the Loan Agreement, this Mortgage and the other Loan Documents, there are not, and were not, and no Persons are or were authorized by Mortgagee to make, any representations, understandings, stipulations, agreements or promises, oral or written, with respect to the transactions which are the subject of the Note, the Loan Agreement, this Mortgage and the other Loan Documents.

Section 14.07 Limitation on Mortgagee's Responsibility. No provision of this Mortgage shall operate to place any obligation or liability for the control, care, management or repair of the Property upon Mortgagee, nor shall it operate to make Mortgagee responsible or liable for any waste committed on the Property by the Tenants or any other Person, or for any dangerous or defective condition of the Property, or for any negligence in the management, upkeep, repair or control of the Property resulting in loss or injury or death to any Tenant, licensee, employee or stranger. Nothing herein contained shall be construed as constituting Mortgagee a "mortgagee in possession."

Section 14.08 Joint and Several Liability. If more than one Person has executed this Agreement as "***Borrower***," the representations, covenants, warranties and obligations of all such Persons hereunder shall be joint and several.

Section 14.09 Recitals. The recitals hereof are a part hereof, form a basis for this Mortgage and shall be considered prima facie evidence of the facts and documents referred to therein.

ARTICLE XV.

STATE-SPECIFIC PROVISIONS

Section 15.01 Principles of Construction. In the event of any inconsistencies between the terms and conditions of this Article 15 and the other terms and conditions of this Mortgage, the terms and conditions of this Article 15 shall control and be binding.

Section 15.02 Commercial Property. Mortgagor represents that this Mortgage does not encumber real property principally improved or to be improved by one or more structures containing in the aggregate not more than six (6) residential dwelling units, each having its own separate cooking facilities.

Section 15.03 MAXIMUM PRINCIPAL SUM. NOTWITHSTANDING ANYTHING CONTAINED HEREIN, THE MAXIMUM PRINCIPAL AMOUNT OF INDEBTEDNESS WHICH IS OR UNDER ANY CONTINGENCY MAY BE SECURED AT THE DATE OF EXECUTION HEREOF OR AT ANY TIME THEREAFTER BY THIS MORTGAGE IS THREE HUNDRED MILLION AND NO/100 DOLLARS (\$300,000,000.00), PLUS ALL AMOUNTS EXPENDED BY MORTGAGEE UPON THE OCCURRENCE AND DURING THE CONTINUANCE OF AN EVENT OF DEFAULT TO PRESERVE, PROTECT AND ENFORCE THE LIEN OF THIS MORTGAGE OR TO PROTECT THE PROPERTY, OR THE VALUE THEREOF, INCLUDING, WITHOUT LIMITATION, ALL AMOUNTS IN RESPECT OF INSURANCE PREMIUMS AND ALL REAL ESTATE TAXES, CHARGES OR ASSESSMENTS IMPOSED BY LAW UPON THE PROPERTY, OR ANY OTHER AMOUNT, COST OR CHARGE TO WHICH MORTGAGEE MAY BECOME SUBROGATED UPON PAYMENT AS A RESULT OF MORTGAGOR'S FAILURE TO PAY AS REQUIRED BY THE TERMS OF THIS MORTGAGE, PLUS ALL ACCRUED BUT UNPAID INTEREST ON THE OBLIGATIONS SECURED HEREBY.

Section 15.04 Trust Fund for Advances. Pursuant to Section 13 of the New York Lien Law, Mortgagor will receive the advances secured by this Mortgage and shall hold the right to receive such advances as a trust fund to be applied first for the purpose of paying the cost of any improvements and shall apply such advances first to the payment of the cost of any such improvements before using any part of the total of the same for any other purpose. Mortgagor will indemnify and hold Mortgagee harmless against any loss, liability, cost or reasonable out-of-pocket expense, including any judgments, attorneys' fees, and costs of appeal bonds or printing costs, arising out of or relating to any proceedings instituted by any claimant alleging a violation by Mortgagor of Article 3-A of the New York Lien Law.

Section 15.05 New York Real Property Law Article 4-A. If this Mortgage shall be deemed to constitute a "mortgage investment" as defined by Section 125 of the New York Real Property Law, then this Mortgage shall and hereby does (i) confer upon the Mortgagee the powers and (ii) impose upon Mortgagee the duties of trustees set forth in Section 126 of the New York Real Property Law.

Section 15.06 Statement in Accordance with Section 274-a of the New York Real Property Law. The Mortgagee shall, within fifteen (15) days after written request, provide the Mortgagor with the statement required by Section 274-a of the New York Real Property Law.

Section 15.07 Section 291-f of New York Real Property Law. This Mortgage is intended to be, and shall operate as, the agreement described in Section 291-f of the New York Real Property Law and shall be entitled to the benefits afforded thereby. Mortgagor hereby covenants and agrees that Mortgagor shall not, without the consent of Mortgagee, (i) accept any surrender, or amend, modify or waive the provisions, of any Lease or terminate, reduce rents under or shorten the term of any Lease, except pursuant to and in accordance with the provisions of the Loan Agreement, or (ii) collect any Rents (exclusive of security deposits) more than thirty (30) days in advance of the time when the same shall become due. Mortgagor shall (unless such notice is contained in such tenant's Lease) deliver notice of this Mortgage in form and substance reasonably acceptable to Mortgagee, to all present and future holders of any interest in any Lease, by assignment or otherwise, and shall take such other action as may now or hereafter be reasonably required to afford Mortgagee the full protections and benefits of Section 291-f.

Section 15.08 Sections 254, 271, 272 and 291-f of New York Real Property Law. All covenants of Mortgagor herein contained shall be construed as affording to Mortgagee rights additional to and not exclusive of the rights conferred under the provisions of Sections, 254, 271, 272 and 291-f of the New York Real Property Law.

Section 15.09 Real Property Law. In the event of any conflict, inconsistency or ambiguity between the provisions of Section 3.02 hereof and the provisions of subsection 4 of Section 254 of the Real Property Law of New York covering the insurance of buildings against loss by fire, the provisions of Section 3.02 shall control.

Section 15.10 RPAPL. If an Event of Default shall occur and be continuing, Mortgagee may elect, with or without entry or taking possession of the Property as provided in this Mortgage or otherwise, personally or by its agents or attorneys, and without prejudice to the right to bring an action for foreclosure of this Mortgage, to sell (and, in the case of any default of any purchaser, resell) the Property or any part thereof pursuant to any procedures provided by applicable law, including, without limitation, exercise of the power of foreclosure granted to Mortgagee by Article 13 of the New York Real Property Actions and Proceedings Law (the "RPAPL"). In such case, Mortgagee may commence a civil action to foreclose this Mortgage pursuant to Article 13 of the RPAPL to satisfy the Debt and all other amounts secured hereby or exercise any other right and/or remedy provided under applicable law.

Section 15.11 Reduction or Increase of the Mortgage Indebtedness. The portion of the Debt secured by this Mortgage shall be reduced only by the last and final sums that Mortgagor repays with respect to the Loan and shall not be reduced by any intervening repayments of the Loan by Mortgagor, except as may otherwise be permitted or required herein or in the Loan Agreement. No increase in the Debt following the date hereof shall increase the maximum aggregate principal amount of indebtedness secured by this Mortgage, except to the extent provided in Section 15.3 hereof. Without limiting the foregoing provisions of this Section 15.11, amounts of the Debt repaid under the Loan Agreement shall be applied in accordance with the terms of the Loan Agreement.

Section 15.12 Consolidation of Prior Mortgages. Mortgagor, and by its execution hereof, Mortgagee, hereby agree that this Mortgage consolidates, amends and restates in their entirety the "Prior Mortgages", to form a single lien in the consolidated principal sum of \$300,000,000.00. The lien of each of the mortgages constituting this Mortgage which does not encumber the whole of the Property, including, without limitation, the Property as described in Exhibit A attached hereto, is hereby extended and spread to cover the whole of the Property and the Property is hereby mortgaged by Mortgagor to Mortgagee with the same force and effect as though the Property had been originally described in each of such mortgages.

ARTICLE XVI.

ASSIGNMENT OF CONDOMINIUM RIGHTS

Section 16.01 Assignment of Condominium Rights.

- a) This Section 16.01 constitutes a present, absolute, effective, irrevocable and completed assignment by Borrower to Lender of all of Borrower's right, title and interest in and to the Amended and Restated Declaration of Beacon Court Condominium made under the Condominium Act, dated February 8, 2005 and recorded on March 9, 2005, in the Office of the Register, The City of New York, County of New York, in CRFN 2005000139245 (the "Condominium Declaration") and any and all rights, remedies and powers of Borrower thereunder, including, but not limited to the right to exercise any voting rights under the Condominium Declaration, the rights under Section 6.3.4 of the By-Laws of Beacon Court Condominium (the "By-Laws") and the right to appoint members of the board of trustees (collectively, the "Condominium Rights"); it being intended by Borrower that this assignment constitutes a present, absolute assignment and not an assignment for additional security only. Subject to the terms of Section 16.01(c) hereof, Lender hereby assumes all of Borrower's right, title and interest in and to the Condominium Declaration and the rights to exercise the Condominium Rights. Nevertheless, subject to the terms of the Proxy, Lender grants to Borrower a revocable license to exercise the Condominium Rights, subject, however, to compliance with the provisions of this Security Instrument and the other Loan Documents.
- b) During the continuance of an Event of Default, a casualty and/or condemnation, the license granted in Section 16.01(a) above shall, to the extent permitted by law, immediately cease and terminate, without waiver of such Event of Default, with or without notice, and without any action or proceeding or the intervention of a receiver appointed by a court, and Lender or an agent or receiver appointed by Lender may, to the extent permitted by law, without regard for the adequacy of the security for the Obligations, the commission of waste or the solvency of Borrower, without limiting any of the Lender's rights and remedies under any of the Loan Documents or otherwise available at law or in equity and subject to applicable statutory requirements, if any, immediately be entitled to exercise all of the Condominium Rights, whether or not Lender enters upon or takes control of the Property.

- c) Until such time as Lender has taken actual possession and title of the Property, this Article shall not be construed to bind Lender to the performance of any of the covenants, conditions or provisions contained in the Condominium Declaration, the By-Laws or otherwise impose any obligation upon Lender. From and after the date Lender has taken actual possession and title of the Property, any liability imposed upon Lender with respect to the Condominium Declaration shall be limited in all respects to its then current interest in the Property. Nothing in this Article shall be construed as constituting Lender a "mortgagee in possession" in the absence of the taking of actual possession and title of the Property by Lender or any of its agents.
- d) In addition to any other rights Lender may be granted pursuant to this Article and notwithstanding anything to the contrary contained in this Article, Lender shall be a Permitted Mortgagee (as such term is defined in the Condominium Declaration) for all purposes under the Condominium Declaration and By-Laws and shall be entitled to exercise any and all rights granted therein to a Permitted Mortgagee.
- e) Borrower hereby agrees and acknowledges that as such Permitted Mortgagee, and in accordance with Section 12.5 of the By-Laws, Lender shall have the right to be the Insurance Trustee and any and all Insurance Proceeds and Awards payable to the Insurance Trustee under the By-Laws shall be paid to Mortgagee.
- f) Notwithstanding anything to the contrary contained herein, Borrower hereby grants to Lender an irrevocable proxy and power of attorney, coupled with an interest, to be used by Lender, in its sole and absolute discretion, in connection with any vote or solicitation of consents of the Unit Owners (as such term is defined in the Bloomberg Lease) for the purpose of resolving whether to proceed with the repair or restoration of the Building as provided in Section 6.3.4 of the By-Laws.
- g) Any term used in this Section 16.01 but not defined herein shall have the meaning ascribed to it in the By-Laws.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF, THIS MORTGAGE has been executed by Mortgagor and Mortgagee as of the day and year first above written.

MORTGAGOR:

731 OFFICE ONE LLC, a Delaware limited liability company

By: 731 OFFICE ONE HOLDING LLC, a Delaware limited liability company, its sole member

By: ALEXANDER'S INC., a Delaware corporation, its sole member

By: /s/ Alan J. Rice
Name: Alan J. Rice
Title: Secretary

ACKNOWLEDGMENT (BORROWER)

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

On the 24th day of February in the year 2014 before me, the undersigned, a Notary Public in and for said State, personally appeared Alan Rice, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument. Witness my hand and official seal.

/s/ Katherine G Cornish
Notary Public
Katherine G Cornish
Notary Public, State of New York
No. 01CO6267931
Qualified in New York County
Certificate Filed in New York County
Commission Expires August 27, 2016

MORTGAGEE:

GERMAN AMERICAN CAPITAL CORPORATION, a Maryland corporation

By: /s/ David Goodman
Name: David Goodman
Title: Director

By: /s/ Lisa Paterson
Name: Lisa Paterson
Title: Director

ACKNOWLEDGMENT (GERMAN AMERICAN CAPITAL CORPORATION)

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

On the 24th day of February in the year 2014 before me, the undersigned, a Notary Public in and for said State, personally appeared David Goodman and Lisa Paterson, each personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, each individual, or the person upon behalf of which the individual acted, executed the instrument. Witness my hand and official seal.

/s/ Theresa Ellel
Notary Public
Theresa Ellel
Notary Public, State of New York
No. 01EL6276003
Qualified in Queens County
Commission Expires February 4, 2017

EXHIBIT A

LEGAL DESCRIPTION

The Condominium Unit (in the Building located at and known as Beacon Court Condominium and by Street Number 151 East 58th Street, New York), designated and described as Office Unit 1 and Office Unit 2 (hereinafter called the "Units") in the Declaration (hereinafter called "Declaration") made by the Sponsor under the Condominium Act of The State of New York (Article 9-B of the Real Property Law of the State of New York), dated 12/4/2003 and recorded 2/3/2004 in the Office of the Register The City of New York, County of New York, as CRFN 2004000064392, as amended and restated by Amended and Restated Declaration dated 2/8/2005, recorded 3/9/2005 in CRFN 2005000139245, establishing a plan for Condominium ownership of said Building and the land upon which the same is erected (hereinafter sometimes collectively called the "Property") and also designated and described as Tax Lots No. 1002 and 1003, respectively, Block 1313 Section 5, Borough of Manhattan on the Tax Map of the Real property assessment department of the City of New York and on the floor plans of said Building certified by Peter Claman, Registered Architect on 1/30/2004 and filed as Condominium Plan No. 1350 on 2/3/2004 in the aforesaid Register's Office in CRFN 2004000064383, amended Floor Plans filed as Condominium Plan No. 1350-A on 3/9/2005 in CRFN 2005000139246.

The land upon which the Building containing the Unit is erected as follows:

DESCRIPTION OF THE LAND

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

BEGINNING at the corner formed by the intersection of the southerly side of East 59th Street and the westerly side of Third Avenue;

RUNNING THENCE southerly along the westerly side of Third Avenue, 200 feet 10 inches to the northerly side of East 58th Street;

THENCE westerly along the northerly side of East 58th Street 420 feet to the easterly side of Lexington Avenue;

THENCE northerly along the easterly side of Lexington Avenue, 200 feet 10 inches to the southerly side of East 59th Street;

THENCE easterly along the southerly side of East 59th Street, 420 feet to the point or place of BEGINNING.

TOGETHER with the benefits and SUBJECT to the burdens of the easements set forth in the deed made by Seven Thirty One Limited Partnership to 59th Street Corporation dated as of 8/1/2001 and recorded 8/8/2001 in Reel 3339 Page 1100.

DESCRIPTION OF THE COMMERCIAL PREMISES:

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

BEGINNING at the corner formed by the intersection of the southerly side of East 59th Street and the westerly side of Third Avenue;

RUNNING THENCE southerly along the westerly side of Third Avenue, 200 feet 10 inches to the northerly side of East 58th Street;

THENCE westerly along the northerly side of East 58th Street, 420 feet to the easterly side of Lexington Avenue;

THENCE northerly along the easterly side of Lexington Avenue, 200 feet 1 inches to the southerly side of East 59th Street;

THENCE easterly, along the southerly side of East 59th Street, 420 feet to the point or place of BEGINNING.

TOGETHER with the benefits and SUBJECT to the burdens of the easements set forth in the deed made by Seven Thirty One Limited Partnership to 59th Street Corporation dated as of 8/1/2001 and recorded 8/8/2001 in Reel 3339 Page 1100.

LESS and EXCEPT:

ALL that portion of the below described parcel lying between a lower horizontal plan drawn at elevation 512 feet 02 inches above the datum level used by the Topographical Bureau, Borough of Manhattan, which is 1 feet 9 inches above National Geodetic Survey Vertical Datum of 1929, mean sea level, Sandy Hook, New Jersey and an upper horizontal plan drawn at 809 feet 2 inches above such datum level, bounded and described as follows:

BEGINNING at a point distant 48 feet 8 inches north of the northerly line of East 58th Street and 30 feet 9 inches east of easterly line of Lexington Avenue;

RUNNING THENCE northerly parallel with the easterly line of Lexington Avenue, 12 feet 6 inches;

THENCE westerly parallel with the northerly line of East 58th Street, 5 feet 10 inches;

THENCE northerly parallel with the easterly line of Lexington Avenue, 78 feet 6 inches;

THENCE easterly parallel with the northerly line of East 58th Street, 5 feet 10 inches;

THENCE northerly parallel with the easterly line of Lexington Avenue, 12 feet 6 inches;

THENCE easterly parallel with the northerly line of East 58th Street, 103 feet 6 inches;

THENCE southerly parallel with the easterly line of Lexington Avenue, 7 feet 6 inches;

THENCE easterly parallel with the northerly line of East 58th Street, 35 feet 0 inches;

THENCE southerly parallel with the easterly line of Lexington Avenue, 88 feet 6 inches;

THENCE westerly parallel with the northerly line of East 58th Street, 35 feet 0 inches;

THENCE southerly parallel with the easterly line of Lexington Avenue, 7 feet 6 inches;

THENCE westerly parallel with the northerly line of East 58th Street, 103 feet 6 inches to the point or place of BEGINNING.

DESCRIPTION OF THE RESIDENTIAL PREMISES

All that portion of the below described parcel lying between a lower horizontal plane drawn at elevation 512 feet 2 inches above the datum level used by the Topographical Bureau, Borough of Manhattan, which is 2 feet 9 inches above National Geodetic Survey Vertical Datum of 1929, mean sea level, Sandy Hook, New Jersey and an upper horizontal plane drawn at 809 feet 2 inches above such datum level, bounded and described as follows:

BEGINNING at a point distant 48 feet 8 inches north of the northerly line of East 58th Street and 30 feet 9 inches East of easterly line of Lexington Avenue:

RUNNING THENCE northerly parallel with easterly line of Lexington Avenue, 12 feet 6 inches;

THENCE westerly parallel with the northerly line of East 58th Street, 5 feet 10 feet;

THENCE northerly parallel with the easterly line of Lexington Avenue, 78 feet 6 inches;

THENCE easterly parallel with the northerly line of East 58th Street, 5 feet 10 inches;

THENCE northerly parallel with the easterly line of Lexington Avenue, 12 feet 6 inches;

THENCE easterly parallel with the northerly line of East 58th Street, 103 feet 6 feet;

THENCE southerly parallel with the easterly line of Lexington Avenue, 7 feet 6 inches;

THENCE easterly parallel with the northerly line of East 58th Street, 35 feet 0 inches;

THENCE southerly parallel with the easterly line of Lexington Avenue, 88 feet 6 inches;

THENCE westerly parallel with the northerly line of East 58th Street, 35 feet 0 inches;

THENCE southerly parallel with the easterly line of Lexington Avenue, 7 feet 6 inches;

THENCE westerly parallel with the northerly line of East 58th Street, 103 feet 6 inches to the point or place of BEGINNING.

TOGETHER with an undivided 49.0559% and 14.0095% interests, respectively, in the Common Elements of the Property as described in the Declaration (hereinafter called the "Common Elements") recorded as CRFN 2004000064392.

EXHIBIT B

MORTGAGE SCHEDULE

MORTGAGES 5, 16, 17, 19, 20, 22, 23, 24 AND 25, AS CONSOLIDATED, AMENDED AND RESTATED, ENCUMBER OFFICE UNIT 1 AND OFFICE UNIT 2

MORTGAGES 1 THROUGH 4 ARE FOR INFORMATION ONLY AND SUBSEQUENTLY SPLIT AND SEVERED

MORTGAGE 1 ORIGINALLY COVERED THE DESCRIBED PREMISES AND OTHER PREMISES, TO WIT:

Queens County, NY:

Block 2084, Lot 101
Block 2080, Lot 101
Block 2077, Lots 90 & 98
Block 2076, Lots 50 & 63

Bronx County, NY:

Block 2362, Lots 44, 52, 53, 71 & 72
Block 3167, Lot 1
Block 3175, Lot 26

Bergen County, NJ:

Block 1201, Lot 1

Kings County, NY:

Block 8470 p/o Lot 55

NOTE: Mortgage 1 is also recorded in Reel 1310, Pgs. 1 and 68 in the Bronx County Register's Office; Reel 4088, Pgs. 569, 615 and 659 in the Queens County Register's Office; Mortgage Book 8953, Pg. 802 in the Bergen County, NJ Clerk's Office and Reel 3481, Pg. 1507 in the Kings County Register's Office.

(1) MORTGAGE, ASSIGNMENT OF LEASES, SECURITY AGREEMENT AND FIXTURE FILING made by Seven Thirty One Limited Partnership and Alexander's Department Store of Lexington Avenue, Inc. to First Fidelity Bank, National Association dated 3/15/1995, recorded 3/20/1995 in Reel 2192 Page 1291 to secure the sum of \$30,000,100.00 and interest. (Mortgage tax paid: \$ -0-)

UNRECORDED MORTGAGE MODIFICATION AND SEVERANCE AGREEMENT, dated as of 3/15/1998 as disclosed below:

NOTE AND MORTGAGE MODIFICATION and SEVERANCE AGREEMENT made by and among Alexander's of Fordham Road, Inc., Alexander's of Third Avenue, Inc., Alexander's, Inc., Alexander's of Rego Park Center, Inc., Alexander's of Rego Park II, Inc., Alexander's Rego Park III, Inc., Seven Thirty One Limited Partnership, Alexander's Department Stores of Lexington Avenue, Inc., Alexander's of Brooklyn, Inc., Alexander's Department Stores of New Jersey, Inc. and First Union National Bank f/k/a First Fidelity Bank, National Association dated 6/18/1998, recorded 9/10/1998 in Reel 2703 Page 1797.

Severs Mortgage into two (2) separate liens as follows:

- (i) Lien in the amount of \$10,000,000.00 to be secured by the "Kings Plaza Mortgage" in Reel 3481 Page 1507 in the Kings County Register's Office.
- (ii) Lien in the amount of \$20,000,000.00 to be secured by Mortgage 1 herein and other mortgages, which do not affect premises described in Schedule A.

MORTGAGE MODIFICATION and EXTENSION AGREEMENT made by and among Seven Thirty One Limited Partnership and Alexander's Department Stores of Lexington Avenue, Inc. and First Union National Bank (f/k/a First Fidelity Bank, National Association) dated 3/15/1998, recorded 2/16/1999 in Reel 2819 Page 1988.

MORTGAGE MODIFICATION and EXTENSION AGREEMENT made by and among Alexander's of Fordham Road, Inc., Alexander's of Third Avenue, Inc., Alexander's, Inc., Alexander's of Rego Park Center, Inc., Alexander's of Rego Park II, Inc., Alexander's of Rego Park III, Inc., Seven Thirty One Limited Partnership, Alexander's Department Stores of Lexington Avenue, Inc., Alexander's Department Stores of New Jersey, Inc. and First Union National Bank f/k/a First Fidelity Bank, National Association dated 3/29/1999, recorded 4/20/1999 in Reel 2859 Page 174.

MORTGAGE MODIFICATION and EXTENSION AGREEMENT made by and among Alexander's of Fordham Road, Inc., Alexander's, Inc., Alexander's of Third Avenue, Inc., Alexander's of Rego Park II, Inc., Alexander's of Rego Park III, Inc., Seven Thirty One Limited Partnership, Alexander's Department Stores of Lexington Avenue, Inc., Alexander's Department Stores of New Jersey, Inc. and First Union National Bank dated as of 4/14/2000, recorded 4/3/2001 in Reel 3265 Page 1882.

MORTGAGE MODIFICATION AND EXTENSION AGREEMENT made between Alexander's Department Stores of Lexington Avenue Inc., Alexander's Department Stores of New Jersey Inc., Seven Thirty One Limited Partnership, Alexander's of Rego Park II Inc., Alexander's of Rego Park III Inc., Alexander's of Third Avenue Inc. and Alexander's Inc. and First Union National Bank, dated 4/27/2001 recorded 5/21/2001 in Reel 3291 Page 1269.

MORTGAGE MODIFICATION AND EXTENSION AGREEMENT made between Alexander's, Inc.; Alexander's of Third Avenue, Inc.; Alexander's of Rego Park II, Inc., Alexander's of Rego Park III, Inc.; Seven Thirty One Limited Partnership; Alexander's Department Stores of Lexington Avenue, Inc.; 59th Street Corporation and First Union National Bank, National Association dated as of 3/15/2002, recorded 6/24/2002 in Reel 3545 Page 2045.

ASSIGNMENT OF MORTGAGE made by Wachovia Bank, National Association (f/k/a First Union National Bank, f/k/a First Fidelity Bank, National Association to Bayerische Hypo-Und Vereinsbank, AG, as agent for itself and other co-lenders, dated as of 6/24/2002, recorded 9/25/2002 in Reel 3617 Page 2001. Assigns Mortgage 1.

RELEASE OF PART OF MORTGAGED PROPERTY made between First Union National Bank, f/k/a First Fidelity Bank, National Association and Alexander's Department Stores of New Jersey, Inc., dated 8/___/2001, recorded 8/23/2001 in Book 0959 Page 286 in the Bergen County, New Jersey Clerk's Office. Releases the Bergen County premises from the lien of Mortgage 1.

RELEASE OF MORTGAGED PREMISES FROM MORTGAGE made by Wachovia Bank, National Association (f/k/a First Union National Bank, f/k/a First Fidelity Bank, National Association) to Alexander's of Third Avenue, Inc., dated as of 7/3/2002, recorded 8/1/2002 in Reel 2030 Page 1531, in the Bronx County Register's Office. Releases Block 2632 Lot 44 (f/k/a 44, 52 and 53) and 71 and 72 in Bronx County from the lien of Mortgage 1.

SATISFACTION OF MORTGAGE made by First Union National Bank (f/k/a First Fidelity Bank National Association) recorded 5/16/2001 in Reel 1867 Page 1792. Discharges of record the Mortgage recorded in Reel 1310 Page 68 in the Bronx County Register's Office.

(2) MORTGAGE, ASSIGNMENT OF LEASES, SECURITY AGREEMENT AND FIXTURE FILING made by and among Seven Thirty One Limited Partnership, a New York limited partnership and Alexander's Department Stores of Lexington Avenue, Inc., a New York Corporation to Vornado Lending Corp., a New Jersey corporation dated 3/15/1995, recorded on 3/22/1995 in Reel 2193 Page 966 to secure the sum of \$45,000,000.00 and interest. (Mortgage tax paid: \$ -0-)

MORTGAGE MODIFICATION and EXTENSION AGREEMENT made by and among Seven Thirty One Limited Partnership and Alexander's Department Stores of Lexington Avenue, Inc. and Vornado Lending, L.L.C. (f/k/a Vornado Lending Corp.) dated 3/15/1998, recorded 2/16/1999 in Reel 2819 Page 1998.

SECOND MODIFICATION and EXTENSION AGREEMENT made by and between Seven Thirty One Limited Partnership and Alexander's Department Stores of Lexington Avenue Inc. and Vornado Lending L.L.C. (formerly known as Vornado Lending Corp.) dated as of 3/29/1999, recorded 4/20/1999 in Reel 2859 Page 251.

THIRD MORTGAGE MODIFICATION AND EXTENSION AGREEMENT made by and between Seven Thirty One Limited Partnership and Alexander's Department Stores of Lexington Avenue Inc., and Vornado Lending L.L.C. dated as of 3/15/2000, recorded 1/11/2001 in Reel 3220 Page 2176.

ASSIGNMENT OF MORTGAGE made by Vornado Lending L.L.C. f/k/a Vornado Lending Corp. to Bayerische Hypo-Und Vereinsbank, AG, as agent for itself and other co-lenders, dated as of 7/3/2002, recorded on 9/25/2002 in Reel 3617 Page 2007. Assigns Mortgage 2.

(3) GAP MORTGAGE made by 731 Commercial LLC and 731 Residential LLC to Bayerische Hypo-Und Vereinsbank, AG, New York Branch, as agent for itself and other co-lenders as may

exist from time to time, dated 7/3/2002, recorded 9/25/2002 in Reel 3617 Page 2013 to secure the sum of \$500,000.00 and interest. (Mortgage tax paid: \$13,750.00)

CONSOLIDATED, AMENDED AND RESTATED BUILDING LOAN MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT (SERIES NO. 1) made between 731 Commercial LLC, 731 Residential LLC and Bayerische Hypo-Und Vereinsbank, AG, New York Branch, as agent for itself and other co-lenders that may exist from time to time, dated as of 7/3/2002, recorded 9/25/2002 in Reel 3617 Page 2024. Consolidates, amends and restates Mortgages in Reel 2192 Page 1291, Reel 2193 Page 966 and Reel 3617 Page 2013 (Mortgages 1, 2 and 3 respectively) into a single lien in the consolidated principal sum of \$55,500,000.00.

(4) GAP MORTGAGE made by 731 COMMERCIAL LLC and 731 RESIDENTIAL LLC to BAYERISCHE HYPO-UND VEREINSBANK, AG, New York Branch, as agent for itself and other co-lenders dated 3/5/03, recorded 5/1/03 in CRFN 2003000112521 to secure the sum of \$159,500,000.00 and interest. (Mortgage tax paid: \$4,386,250.00)

CONSOLIDATED, AMENDED AND RESTATED BUILDING LOAN MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT made between 731 Commercial LLC and 731 Residential LLC and Bayerische Hypo-Und Vereinsbank, AG, New York Branch, as agent for itself and other co-lenders that may exist from time to time, dated 3/5/2003 and recorded 5/1/2003 as CRFN 2003000112522. Consolidates prior mortgages into a single lien of \$215,000,000.00.

ASSIGNMENT OF CONSOLIDATED, AMENDED AND RESTATED MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT made by BAYERISCHE HYPO-UND VEREINSBANK AG, NEW YORK BRANCH, AS AGENT AND AS LENDER to HYPO REAL ESTATE CAPITAL CORPORATION IN ITS CAPACITY AS SUCCESSOR AGENT FOR ITSELF AND SUCH OTHER CO-LENDERS AS MAY EXIST FROM TIME TO TIME dated as of 12/4/2003, recorded 3/16/2004 as CRFN 2004000158503. Assigns Mortgages 1 through 4, as consolidated.

SUBORDINATION OF MORTGAGE TO CONDOMINIUM DECLARATION made between Hypo Real Estate Capital Corporation, as agent for itself and other co-lenders as may exist from time to time, and 731 Residential LLC and 731 Commercial LLC, dated as of 2/13/2004, recorded 11/24/2004 in CRFN 2004000725910. Subordinates Mortgages 1 through 4, as consolidated, amended and restated, as well as other mortgages, to Declaration of Condominium recorded in CRFN 2004000064392.

NOTE AND MORTGAGE MODIFICATION AND SEVERANCE AGREEMENT made between 731 Commercial LLC and 731 Residential LLC and Hypo Real Estate Capital Corporation, as agent for itself and other co-lenders as may exist from time to time, dated as of 2/13/2004 recorded 11/24/2004 in CRFN 2004000725900.

Splits and severs mortgages 1 through 4, as consolidated, into two (2) separate liens:

(i) \$125,000,000.00 as evidenced by Substitute Building Loan Mortgage (Mortgage 25 herein)

(ii) \$90,000,000.00, as evidenced by Substitute Building Loan Mortgage from which described premises were released by Release recorded 11/24/2004 in CRFN 2004000725917.

(5) PROJECT LOAN MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT made between 731 Commercial LLC and 731 Residential LLC and Bayerische Hypo-Und Vereinsbank, AG, New York Branch, as agent for itself and other co-lenders that may exist from time to time, dated 3/5/2003 and recorded 5/1/2003 as CRFN 2003000112524 to secure the sum of \$10,000,000.00 and interest. (Mortgage Tax paid: \$275,000.00)

MORTGAGES 6 THROUGH 15, 18 AND 21 ARE PRESENTED FOR INFORMATION ONLY:

(6) MORTGAGE AND SECURITY AGREEMENT ON LEASEHOLD made by FOUR TIMES SQUARE CENTER PARTNERS, L.P. to THE PRUDENTIAL INSURANCE COMPANY OF AMERICA dated 7/30/90, recorded 7/31/90 in Reel 1717 Page 2127 to secure the sum of \$31,900,000.00 and interest. (Mortgage tax paid: \$717,750.00)

ASSIGNMENT OF MORTGAGE made by THE PRUDENTIAL INSURANCE COMPANY OF AMERICA to THE CHASE MANHATTAN BANK dated 3/26/99, recorded 9/20/99, in Reel 2956 page 945. Assigns Mortgage 6.

(7) MORTGAGE AND SECURITY AGREEMENT made by TWELVE TIMES SQUARE CENTER PARTNERS L.P. to THE PRUDENTIAL INSURANCE COMPANY OF AMERICA dated 7/30/90, recorded 7/31/90 in Reel 1717 Page 2238 to secure the sum of \$58,800,000.00 and interest. (Mortgage tax paid: \$1,323,000.00)

MORTGAGE AND NOTE MODIFICATION AND SEVERANCE AGREEMENT made between TWELVE TIMES SQUARE CENTER PARTNERS L.P. and THE PRUDENTIAL INSURANCE COMPANY OF AMERICA dated as of 7/10/1996, recorded 7/29/1996 in Reel 2349 Page 1228.

Severs mortgage in Reel 1717 Page 2238 into 3 separate liens as follows:

(i) "Original Mortgage" in the amount of \$14,278,000.00 as evidenced by Mortgage 7.

(ii) "Substitute Mortgage 1" in the amount of \$20,000,000.00 as evidenced by mortgage dated 7/10/1996, recorded 7/29/1996 in Reel 2349 Page 1237.

(iii) "Substitute Mortgage 2" in the amount of \$24,522,000.00 as evidenced by mortgage dated 7/10/1996, recorded 7/29/1996 in Reel 2349 Page 1245 (now satisfied).

PARTIAL RELEASE OF MORTGAGED LEASEHOLD made between PRUDENTIAL INSURANCE COMPANY OF AMERICA and TWELVE TIMES SQUARE CENTER PARTNERS L.P. dated as of 7/10/1996, recorded 8/7/1996 in Reel 2353 Page 1756. Releases other premises not made a part hereof (Block 995 Lots 5, 12 & 57) from Mortgage 7 herein as severed into the three aforementioned liens.

MORTGAGE SPREADER AGREEMENT made between ONE TIMES SQUARE CENTER PARTNERS L.P., THREE TIMES SQUARE CENTER PARTNERS L.P., FOUR TIMES SQUARE CENTER PARTNERS L.P., TWELVE TIMES SQUARE CENTER PARTNERS L.P. with PRUDENTIAL INSURANCE COMPANY OF AMERICA dated as of 7/10/1996, recorded 7/29/1996 in Reel 2349 Page 1253. Spreads the Original Mortgage to cover additional property known as Site 1 (p/o Block 994), Site 3 (p/o Block 1014) and Site 4 (p/o Block 1013).

PARTIAL RELEASE OF MORTGAGED LEASEHOLD made between THE PRUDENTIAL INSURANCE COMPANY OF AMERICA and THREE TIMES SQUARE CENTER PARTNERS, L.P. dated 2/18/98, recorded 3/9/98 in Reel 2552 Page 247. Releases other property from lien of Mortgage 7.

MORTGAGE AND NOTE SEVERANCE AGREEMENT made between THE PRUDENTIAL INSURANCE COMPANY OF AMERICA and ONE TIMES SQUARE CENTER PARTNERS L.P. and FOUR TIMES SQUARE CENTER PARTNERS L.P. dated 3/26/1999, recorded 9/20/1999 in Reel 2956 page 885. Severs Mortgage 7 in the outstanding principal amount of \$10,991,266.00 into two liens:

(i) \$5,851,317.00 which does not affect the premises described in Schedule 'A'.

(ii) \$5,139,949.00 secured by Substitute Mortgage in Reel 2956 page 898.

(8) SUBSTITUTE MORTGAGE made by FOUR TIMES SQUARE CENTER PARTNERS L.P. to PRUDENTIAL INSURANCE COMPANY OF AMERICA dated 3/26/1999, recorded 9/20/1999 in Reel 2956 Page 898 to secure the sum of \$5,139,949.00 and interest. (Mortgage tax paid: \$0)

ASSIGNMENT OF MORTGAGE made by PRUDENTIAL INSURANCE COMPANY OF AMERICA to THE CHASE MANHATTAN BANK dated 3/26/1999, recorded 9/20/1999, in Reel 2956 page 928. Assigns Mortgage 8.

AGREEMENT OF CONSOLIDATION and MODIFICATION made between FOUR TIMES SQUARE PARTNERS LP and THE CHASE MANHATTAN BANK dated 3/26/1999, recorded 9/20/1999 in Reel 2956 page 989. Consolidates Mortgages 6 and 8 to form a single lien of \$37,039,949.00 covering Block 1013 Lot 29 and other premises.

ASSIGNMENT OF MORTGAGE made by THE CHASE MANHATTAN BANK to ANGLE NINETY LLC dated 8/11/1999, recorded 9/20/1999, in Reel 2956 Page 1149. Assigns Mortgages 6 and 8, as consolidated.

ASSIGNMENT OF MORTGAGE made by ANGLE NINETY LLC to THE BANK OF NEW YORK, as agent, dated 1/26/2000, recorded 3/13/2000, in Reel 3064 Page 203. Assigns Mortgages 6 and 8, as consolidated.

(9) ADDITIONAL LOAN MORTGAGE AND AGREEMENT OF CONSOLIDATION AND MODIFICATION OF ACQUISITION LOAN MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT made by NO. 5 TIMES SQUARE DEVELOPMENT LLC to THE BANK OF NEW YORK, as agent and NEW YORK STATE URBAN

DEVELOPMENT CORPORATION, d/b/a EMPIRE STATE DEVELOPMENT CORPORATION, as collateral agent dated 1/26/2000, recorded 3/13/2000 in Reel 3064 Page 213 to secure the sum of \$85,008,340.39 and interest. By its terms, Mortgages 6 and 8 are consolidated to form a single lien of \$122,048,289.39. (Mortgage tax paid: \$0)

ASSIGNMENT OF MORTGAGE made by NEW YORK STATE URBAN DEVELOPMENT CORPORATION, D/B/A EMPIRE STATE DEVELOPMENT CORPORATION to THE BANK OF NEW YORK dated as of 1/26/2000, recorded 3/13/2000 in Reel 3064 Page 347. Assigns Mortgages 6, 8 and 9, as consolidated.

MORTGAGE MODIFICATION AGREEMENT made between THE BANK OF NEW YORK and NO. 5 TIMES SQUARE DEVELOPMENT LLC dated as of 1/30/2001, recorded 5/14/2003 as CRFN 2003000129893.

ASSIGNMENT OF MORTGAGE made by THE BANK OF NEW YORK to FLEET NATIONAL BANK dated 4/14/2003, recorded 5/14/2003 as CRFN 2003000129896. Assigns Mortgages 6, 8 and 9, as consolidated.

(10) BUILDING LOAN MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT made by NO. 5 TIMES SQUARE DEVELOPMENT LLC to THE BANK OF NEW YORK, as agent and NEW YORK STATE URBAN DEVELOPMENT CORPORATION, d/b/a EMPIRE STATE DEVELOPMENT CORPORATION, as collateral agent dated 1/26/2000, recorded 3/13/2000 in Reel 3064 Page 259 to secure the sum of \$196,779,272.36 and interest. (Mortgage tax paid: \$0)

ASSIGNMENT OF MORTGAGE made by NEW YORK STATE URBAN DEVELOPMENT CORPORATION, d/b/a EMPIRE STATE DEVELOPMENT CORPORATION, as collateral agent to THE BANK OF NEW YORK, as administrative agent, dated 1/26/2000, recorded 3/13/2000, in Reel 3064 page 258. Assigns Mortgage 10.

MORTGAGE MODIFICATION AGREEMENT made between THE BANK OF NEW YORK, as agent and NO. 5 TIMES SQUARE DEVELOPMENT LLC dated 1/30/2001, recorded 5/14/2003 in CRFN 2003000129894.

ASSIGNMENT OF EXISTING BUILDING LOAN MORTGAGE made by THE BANK OF NEW YORK to FLEET NATIONAL BANK dated 4/14/2003, recorded 5/14/2003, in CRFN 2003000129897. Assigns Mortgage 10.

BUILDING LOAN NOTES AND MORTGAGE SEVERANCE AGREEMENT made between NO. 5 TIMES SQUARE DEVELOPMENT LLC and FLEET NATIONAL BANK, as administrative agent dated 4/14/2003, recorded 5/14/2003 in CFRN 2003000129899. Severs Mortgage 10 into two liens:

(i) \$17,614,659.78 secured by CRFN 2003000129900.

(ii) \$179,164,612.58 SECURED BY CRFN 2003000129901.

(11) SUBSTITUTE BUILDING LOAN 'A' MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT made by NO. 5 TIMES SQUARE DEVELOPMENT LLC to FLEET NATIONAL BANK, as administrative agent dated 4/14/2003, recorded 5/14/2003 in CRFN 2003000129900 to secure the sum of \$17,614,659.78 and interest. Created pursuant to severance agreement in CRFN 2003000129899. (Mortgage tax paid: \$0)

ASSIGNMENT OF SUBSTITUTE BUILDING LOAN MORTGAGE A made by FLEET NATIONAL BANK, as administrative agent to FLEET NATIONAL BANK, as managing Administrative Agent under the Revolving Credit Agreement, dated 4/14/2003, recorded 5/14/2003, in CRFN 2003000129902. Assigns Mortgage 11.

MORTGAGE CONSOLIDATION and MODIFICATION AGREEMENT made between NO. 5 TIMES SQUARE DEVELOPMENT LLC and FLEET NATIONAL BANK, as managing Administrative Agent, dated 4/14/2003, recorded 5/14/2003 in CRFN 2003000129904. Consolidates Mortgages 6, 8, 9 and 11 to form a single lien of \$139,662,949.17.

ASSIGNMENT OF AMENDED AND RESTATED SECOND LEASEHOLD MORTGAGE made by FLEET NATIONAL BANK, as managing Administrative Agent under the Revolving Credit Agreement to FLEET NATIONAL BANK, as Administrative Agent, dated 5/30/2003, recorded 6/27/2003, in CRFN 2003000198788. Assigns Mortgages 6, 8, 9 and 11 as consolidated.

(12) SUBSTITUTE BUILDING LOAN MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT 'B' made by NO. 5 TIMES SQUARE DEVELOPMENT LLC to FLEET NATIONAL BANK, as Administrative Agent dated 4/14/2003, recorded 5/14/2003 in CRFN 2003000129901 to secure the sum of \$179,164,612.58 and interest. Created pursuant to Severance Agreement in CRFN 2003000129899. (Mortgage tax paid: \$0)

(13) PROJECT LOAN MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT MORTGAGE made by NO. 5 TIMES SQUARE DEVELOPMENT LLC to THE BANK OF NEW YORK, as agent and NEW YORK STATE URBAN DEVELOPMENT CORPORATION, d/b/a EMPIRE STATE DEVELOPMENT CORPORATION, as collateral agent dated 1/26/00, recorded 3/13/00 in Reel 3064 Page 304 to secure the sum of \$101,172,438.25 and interest. (Mortgage tax paid: \$0)

ASSIGNMENT OF MORTGAGE made by NEW YORK STATE URBAN DEVELOPMENT CORPORATION, d/b/a EMPIRE STATE DEVELOPMENT CORPORATION, as collateral agent to THE BANK OF NEW YORK, as agent, dated 1/26/2000, recorded 3/13/2000, in Reel 3064 page 366. Assigns Mortgage 13.

MORTGAGE MODIFICATION AGREEMENT made between THE BANK OF NEW YORK, as agent and NO. 5 TIMES SQUARE DEVELOPMENT LLC dated 1/30/2001, recorded 5/14/03 in CRFN 2003000129895.

ASSIGNMENT OF MORTGAGE made by THE BANK OF NEW YORK, as agent to FLEET NATIONAL BANK, as administrative agent, dated 4/14/2003, recorded 5/14/2003, in CRFN 2003000129898. Assigns Mortgage 13.

CONSOLIDATION and MODIFICATION AGREEMENT made between NO. 5 TIMES SQUARE DEVELOPMENT LLC and FLEET NATIONAL BANK, as administrative agent, dated 4/14/2003, recorded 5/14/2003 in CRFN 2003000129903. Consolidates Mortgages 12 and 13 to form a single lien of \$280,337,050.83.

CONSOLIDATION and MODIFICATION AGREEMENT made between NO. 5 TIMES SQUARE DEVELOPMENT LLC and FLEET NATIONAL BANK, as administrative agent dated 5/30/2003, recorded 6/27/2003 in CRFN 2003000198789. Consolidates Mortgages 6, 8, 9, 11, 12 and 13 to form a single lien of \$420,000,000.00.

NOTE AND MORTGAGE SEVERANCE AGREEMENT made between NO. 5 TIMES SQUARE DEVELOPMENT LLC and FLEET NATIONAL BANK dated 6/6/2003, recorded 11/18/2003 in CRFN 2003000456396.

Severs consolidated Mortgages into two liens:

(i) \$36,341,240.00 which does not affect the premises herein.

(ii) \$383,658,760.00 secured by Substitute Mortgage B which has been spread to cover the premises described in Schedule A.

(14) SUBSTITUTE MORTGAGE 'B' made by NO. 5 TIMES SQUARE DEVELOPMENT LLC and FLEET NATIONAL BANK, as administrative agent dated 6/6/2003, recorded 11/18/2003 in CRFN 2003000456398 to secure the sum of \$383,658,760.00 and interest. Created pursuant to severance agreement recorded 11/18/2003 in CRFN 2003000456396. (Mortgage tax paid: \$0)

NOTE AND MORTGAGE MODIFICATION AND SEVERANCE AGREEMENT AND CONSOLIDATION OF NOTES made between NO. 5 TIMES SQUARE DEVELOPMENT LLC and FLEET NATIONAL BANK, as administrative agent, dated 6/20/2003, recorded 1/20/2004 in CRFN 2004000035698. Severs Substitute Mortgage B into two liens:

(i) \$265,000,000.00 (Second Substitute Mortgage A) which has been subsequently spread to cover the premises described in Schedule 'A'.

(ii) \$118,658,760.00 (Second Substitute Mortgage B) which does not affect the premises described herein.

(15) SECOND SUBSTITUTE MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT A made by NO. 5 TIMES SQUARE DEVELOPMENT LLC and FLEET NATIONAL BANK, as administrative agent dated 6/20/03, recorded 1/20/04 in CRFN2004000035700 to secure the sum of \$265,000,000.00 and interest. Mortgage created pursuant to severance agreement recorded 1/20/04 in CRFN 2004000035698. (Mortgage tax paid: \$0)

SECOND MORTGAGE SPREADER AGREEMENT made between NO. 5 TIMES SQUARE DEVELOPMENT LLC, 731 COMMERCIAL LLC and 731 RESIDENTIAL LLC and FLEET NATIONAL BANK, as administrative agent dated 6/20/2003, recorded 1/20/2004 in CRFN

2004000035701. Spreads CRFN 2004000035700 to cover the premises described in Schedule `A'.

PARTIAL RELEASE OF LIEN OF MORTGAGED PREMISES made between FLEET NATIONAL BANK, as administrative agent and NO. 5 TIMES SQUARE DEVELOPMENT LLC dated 6/20/03, recorded 1/20/04 in CRFN 2004000035702. (Releases Block 1013 Lot 19)

ASSIGNMENT OF SECOND SUBSTITUTE MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT A made by FLEET NATIONAL BANK, as administrative agent to BAYERISCHE HYPO-UND VEREINSBANK AG, New York Branch, dated 6/20/2003, recorded 1/20/2004, in CRFN 2004000035703. Assigns Mortgage 15.

AMENDED and RESTATED MORTGAGE made between 731 COMMERCIAL LLC and 731 RESIDENTIAL LLC and BAYERISCHE HYPO-UND VEREINSBANK AG, New York Branch dated 6/20/2003, recorded 1/20/2004 in CRFN 2004000035704.

NOTE AND MORTGAGE MODIFICATION AND SEVERANCE AGREEMENT (NO. 1) made between 731 COMMERCIAL LLC and 731 RESIDENTIAL LLC and BAYERISCHE HYPO-UND VEREINSBANK AG, New York Branch dated as of 11/26/2003 recorded 3/16/2004 as CRFN 2004000158493.

Mortgage 15 is hereby split into three separate liens:

(i) Substitute Supplemental Mortgage, Assignment of Leases and Rents and Security Agreement (No. 1) in the amount of \$2,265,962.00, recorded 3/16/2004 as CRFN 2004000158494; (Mortgage 16, herein)

(ii) Substitute Project Mortgage, Assignment of Leases and Rents and Security Agreement (No. 1) in the amount of \$702,546.00, recorded 3/16/2004 as CRFN 2004000158495; (Mortgage 17, herein) and

(iii) Substitute Mortgage, Assignment of Leases and Rents and Security Agreement C (No. 1) in the amount of \$262,031,492.00, recorded 3/16/2004 as CRFN 2004000158496. (Mortgage 18, herein)

(16) SUBSTITUTE SUPPLEMENTAL MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT (NO. 1) made by 731 COMMERCIAL LLC and 731 RESIDENTIAL LLC TO BAYERISCHE HYPO-UND VEREINSBANK AG, NEW YORK BRANCH dated 11/26/2003, recorded 3/16/2004 as CRFN 2004000158494 to secure the sum of \$2,265,962.00 and interest. Mortgage created pursuant to Severance Agreement recorded 3/16/2004 as CRFN 2004000158493. (Mortgage tax paid: \$0)

ASSIGNMENT OF SUBSTITUTE SUPPLEMENTAL MORTGAGE (NO. 1) MORTGAGE made by BAYERISCHE HYPO-UND VEREINSBANK AG, NEW YORK BRANCH to BAYERISCHE HYPO-UND VEREINSBANK AG, NEW YORK BRANCH, in its capacity as agent for itself and such other co-lenders as may exist from time to time, dated as of 11/26/2003, recorded 3/16/2004 as CRFN 2004000158497. Assigns Mortgage 16.

AMENDED AND RESTATED SUPPLEMENTAL LOAN MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT (NO. 1) made by 731 COMMERCIAL LLC and 731 RESIDENTIAL LLC to BAYERISCHE HYPO-UND VEREINSBANK AG, NEW YORK BRANCH, AS AGENT FOR ITSELF AND OTHER CO-LENDERS THAT MAY EXIST FROM TIME TO TIME dated as of 11/26/2003, recorded 3/16/2004 as CRFN 2004000158499. Amends and restates Mortgage 16 in its entirety.

ASSIGNMENT OF AMENDED AND RESTATED SUPPLEMENTAL LOAN MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT (NO. 1) made by BAYERISCHE HYPO-UND VEREINSBANK AG, NEW YORK BRANCH, in its capacity of holder of the mortgage to HYPO REAL ESTATE CAPITAL CORPORATION, in its capacity as successor agent for itself and such other co-lenders as may exist from time to time, dated as of 12/4/2003, recorded 3/16/2004 as CRFN 2004000158504. Assigns Mortgage 16.

(17) SUBSTITUTE PROJECT MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT (NO. 1) made by 731 COMMERCIAL LLC and 731 RESIDENTIAL LLC to BAYERISCHE HYPO-UND VEREINSBANK AG, NEW YORK BRANCH dated 11/26/2003, recorded 3/16/2004 as CRFN 2004000158495 to secure the sum of \$702,546.00 and interest. Mortgage created pursuant to Severance Agreement recorded 3/16/2004 as CRFN 2004000158493. (Mortgage tax paid: \$0)

ASSIGNMENT OF SUBSTITUTE PROJECT MORTGAGE (NO. 1) made by BAYERISCHE HYPO-UND VEREINSBANK AG, NEW YORK BRANCH to BAYERISCHE HYPO-UND VEREINSBANK AG, NEW YORK BRANCH in its capacity as agent for itself and such other co-lenders as may exist from time to time, dated as of 11/26/2003, recorded 3/16/2004 as CRFN 2004000158498. Assigns Mortgage 17.

CONSOLIDATED, AMENDED AND RESTATED PROJECT LOAN MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT (NO. 1) made between 731 COMMERCIAL LLC, 731 RESIDENTIAL LLC and BAYERISCHE HYPO-UND VEREINSBANK AG, NEW YORK BRANCH, AS AGENT FOR ITSELF AND OTHER CO-LENDERS THAT MAY EXIST FROM TIME TO TIME dated as of 11/26/2003, recorded 3/16/2004 as CRFN 2004000158500. Consolidates Mortgages 5 and 17 to form a single lien of \$10,702,546.00.

ASSIGNMENT OF CONSOLIDATED, AMENDED AND RESTATED PROJECT LOAN MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT (NO. 1) made by BAYERISCHE HYPO-UND VEREINSBANK AG, NEW YORK BRANCH, as agent and as lender to HYPO REAL ESTATE CAPITAL CORPORATION in its capacity as successor agent for itself and such other co-lenders as may exist from time to time, dated as of 12/4/2003, recorded 3/16/2004 as CRFN 2004000158506. Assigns Mortgages 5 and 17, as consolidated.

(18) SUBSTITUTE MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT C (NO. 1) made by 731 COMMERCIAL LLC and 731 RESIDENTIAL LLC to BAYERISCHE HYPO-UND VEREINSBANK AG, NEW YORK BRANCH dated 11/26/2003, recorded 3/16/2004 as CRFN 2004000158496 to secure the sum of

\$262,031,492.00 and interest. Mortgage created pursuant to Severance Agreement recorded 3/16/2004 as CRFN 2004000158493. (Mortgage tax paid: \$0)

ASSIGNMENT OF SUBSTITUTE MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT C (NO. 1) made by BAYERISCHE HYPO-UND VEREINSBANK AG, NEW YORK BRANCH to HYPO REAL ESTATE CAPITAL CORPORATION, dated as of 12/4/2003, recorded 3/16/2004 as CRFN 2004000158508. Assigns Mortgage 18.

NOTE AND MORTGAGE MODIFICATION AND SEVERANCE AGREEMENT (NO. 2) made between 731 COMMERCIAL LLC and 731 RESIDENTIAL LLC (mortgagors) and HYPO REAL ESTATE CAPITAL CORPORATION dated as of 12/29/2003, recorded 5/13/2004 as CRFN 2004000303539.

Mortgage 18 is hereby split into three separate liens:

(i) Substitute Supplemental Mortgage, Assignment of Leases and Rents and Security agreement (No. 2) in the amount of \$9,375,000.00, recorded as CRFN 2004000303540; (Mortgage 19, herein)

(ii) Substitute Project Mortgage, Assignment of Leases and Rents and Security Agreement (No. 2) in the amount of \$3,555,000.00, recorded as CRFN 2004000303541; (Mortgage 20, herein) and

(iii) Substitute Mortgage, Assignment of Leases and Rents and Security Agreement C (No. 2) in the amount of \$249,101,492.00, recorded as CRFN 2004000303542. (Mortgage 21, herein)

(19) SUBSTITUTE SUPPLEMENTAL MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT (NO. 2) made by 731 COMMERCIAL LLC and 731 RESIDENTIAL LLC to HYPO REAL ESTATE CAPITAL CORPORATION dated 12/29/2003, recorded 5/13/2004 as CRFN 2004000303540 to secure the sum of \$9,375,000.00 and interest. Mortgage created pursuant to Severance Agreement recorded as CRFN 2004000303539. (Mortgage tax paid: \$0)

ASSIGNMENT OF SUBSTITUTE SUPPLEMENTAL MORTGAGE (NO. 2) made by HYPO REAL ESTATE CAPITAL CORPORATION, as lender to HYPO REAL ESTATE CAPITAL CORPORATION, in its capacity as agent for itself and such other co-lenders as may exist from time to time, dated as of 12/29/2003, recorded 5/13/2004 as CRFN 2004000303543. Assigns Mortgage 19.

CONSOLIDATED, AMENDED AND RESTATED SUPPLEMENTAL LOAN MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT (NO. 2) made between 731 COMMERCIAL LLC, 731 RESIDENTIAL LLC and HYPO REAL ESTATE CAPITAL CORPORATION AS AGENT FOR ITSELF AND OTHER CO-LENDERS THAT MAY EXIST FROM TIME TO TIME dated 12/29/2003, recorded 5/13/2004 as CRFN 2004000303545. Consolidates Mortgages 16 and 19 to form a single lien of \$11,640,962.00.

(20) SUBSTITUTE PROJECT MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT (NO. 2) made by 731 COMMERCIAL LLC and 731 RESIDENTIAL LLC to HYPO REAL ESTATE CAPITAL CORPORATION dated 12/29/2003, recorded 5/13/2004 as CRFN 2004000303541 to secure the sum of \$3,555,000.00 and interest. Mortgage created pursuant to Severance Agreement recorded as CRFN 2004000303539. (Mortgage tax paid: \$0)

ASSIGNMENT OF SUBSTITUTE PROJECT MORTGAGE (NO. 2) made by HYPO REAL ESTATE CAPITAL CORPORATION, as lender, to HYPO REAL ESTATE CAPITAL CORPORATION, in its capacity as agent for itself and such other co-lenders as may exist from time to time by assignment dated 12/29/2003, recorded 5/13/2004 as CRFN 2004000303544.

CONSOLIDATED, AMENDED AND RESTATED PROJECT LOAN MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT (NO. 2) made between 731 COMMERCIAL LLC, 731 RESIDENTIAL LLC and HYPO REAL ESTATE CAPITAL CORPORATION, as agent for itself and other co-lenders that may exist from time to time, dated as of 12/29/2003, recorded 5/13/2004 as CRFN 2004000303546. Mortgages 5, 17 and 20 are hereby consolidated into a single lien of \$14,257,546.00.

(21) SUBSTITUTE MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT C (NO. 2) made by 731 COMMERCIAL LLC and 731 RESIDENTIAL LLC to HYPO REAL ESTATE CAPITAL CORPORATION dated 12/29/2003, recorded 5/13/2004 as CRFN 2004000303542 to secure the sum of \$249,101,492.00 and interest. Mortgage created pursuant to Severance Agreement recorded as CRFN 2004000303539. (Mortgage tax paid: \$0)

NOTE AND MORTGAGE MODIFICATION AND SEVERANCE AGREEMENT (No. 3) made between 731 COMMERCIAL LLC and 731 RESIDENTIAL LLC (mortgagors) and HYPO REAL ESTATE CAPITAL CORPORATION dated 1/28/2004, recorded 7/4/2004 as CRFN 2004000396559.

Mortgage 21 is hereby split into three separate liens:

(i) Substitute Supplemental Mortgage (No. 3) in the amount of \$11,300,000.00, recorded as CRFN 2004000396560. (Mortgage 22, herein)

(ii) Substitute Project Mortgage (No. 3) in the amount of \$1,330,000.00, recorded as CRFN 2004000396561. (Mortgage 23, herein)

(iii) Substitute Mortgage (No. 3) in the amount of \$236,471,492.00, recorded as CRFN 2004000396562. (Mortgage 24, herein)

(22) SUBSTITUTE SUPPLEMENTAL MORTGAGE ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT (NO. 3) made by 731 COMMERCIAL LLC and 731 RESIDENTIAL LLC to HYPO REAL ESTATE CAPITAL CORPORATION dated 1/28/2004, recorded 7/4/2004 as CRFN 2004000396560 to secure the sum of \$11,300,00.00 and interest. (Mortgage tax paid: \$0)

ASSIGNMENT OF SUBSTITUTE SUPPLEMENTAL MORTGAGE (NO. 3) made by HYPO REAL ESTATE CAPITAL CORPORATION to HYPO REAL ESTATE CAPITAL CORPORATION, as agent, dated 1/28/2004, recorded 7/4/2004, as CRFN 2004000396563. Assigns Mortgage 22.

CONSOLIDATED, AMENDED AND RESTATED SUPPLEMENTAL LOAN MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT (No. 3) made between 731 COMMERCIAL LLC and 731 RESIDENTIAL LLC and HYPO REAL ESTATE CAPITAL CORPORATION, as agent, dated 1/28/04, recorded 7/4/04 as CRFN 2004000396565. Consolidates Mortgages 16, 19, and 22 to form a single lien of \$22,940,962.00.

SUBORDINATION OF MORTGAGE TO CONDOMINIUM DECLARATION made between Hypo Real Estate Capital Corporation, as agent for itself and other co-lenders as may exist from time to time, and 731 Residential LLC and 731 Commercial LLC dated as of 2/13/2004 recorded 11/24/2004 in CRFN 2004000725910. Subordinates Mortgages 16, 19 and 22, as consolidated, amended and restated, as well as other mortgages, to Declaration of Condominium recorded in CRFN 2004000064392.

ASSIGNMENT OF CONSOLIDATED, AMENDED AND RESTATED SUPPLEMENTAL LOAN MORTGAGE (NO. 3) made by Hypo Real Estate Capital Corporation to German American Capital Corporation dated 2/13/2004 recorded 11/24/2004 in CRFN 2004000725915. Assigns Mortgages 16, 19 and 22, as consolidated.

(23) SUBSTITUTE PROJECT MORTGAGE ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT (NO. 3) made by 731 COMMERCIAL LLC and 731 RESIDENTIAL LLC to HYPO REAL ESTATE CAPITAL CORPORATION dated 1/28/2004, recorded 7/4/2004 as CRFN 2004000396561 to secure the sum of \$1,300,000.00 and interest. (Mortgage tax paid: \$0)

ASSIGNMENT OF SUBSTITUTE PROJECT MORTGAGE (NO. 3) made by HYPO REAL ESTATE CAPITAL CORPORATION to HYPO REAL ESTATE CAPITAL CORPORATION, AS AGENT by assignment dated 1/28/2004, recorded 7/4/2004, as CRFN 2004000396564. Assigns Mortgage 23.

CONSOLIDATED, AMENDED AND RESTATED PROJECT LOAN MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT (No. 3) made between 731 COMMERCIAL LLC and 731 RESIDENTIAL LLC and HYPO REAL ESTATE CAPITAL CORPORATION, AS AGENT dated 1/28/2004, recorded 7/4/2004 as CRFN 2004000396566. Consolidates Mortgages 5, 17, 20 and 23 to form a single lien of \$15,587,546.00.

SUBORDINATION OF MORTGAGE TO CONDOMINIUM DECLARATION made between Hypo Real Estate Capital Corporation, as agent for itself and other co-lenders as may exist from time to time, and 731 Residential LLC and 731 Commercial LLC dated as of 2/13/2004 recorded 11/24/2004 in CRFN 2004000725910. Subordinates Mortgages 5, 17, 20 and 23, as consolidated, amended and restated, as well as other mortgages, to Declaration of Condominium recorded in CRFN 2004000064392.

ASSIGNMENT OF CONSOLIDATED, AMENDED AND RESTATED PROJECT LOAN MORTGAGE (NO. 3) made by Hypo Real Estate Capital Corporation to German American Capital Corporation dated 2/13/2004 recorded 11/24/2004 in CRFN 2004000725914. Assigns Mortgages 5, 17, 20 and 23, as consolidated.

(24) SUBSTITUTE MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT C (NO. 3) made by 731 COMMERCIAL LLC and 731 RESIDENTIAL LLC to HYPO REAL ESTATE CAPITAL CORPORATION dated 1/28/04, recorded 7/4/04 as CRFN 2004000396562 to secure the sum of \$236,471,492.00 and interest. (Mortgage tax paid: \$0)

SUBORDINATION OF MORTGAGE TO CONDOMINIUM DECLARATION made between HYPO REAL ESTATE CAPITAL CORPORATION, as agent for itself and other co-lenders as may exist from time to time, and 731 RESIDENTIAL LLC and 731 COMMERCIAL LLC, dated as of 2/13/2004 recorded 11/24/2004 in CRFN 2004000725911. Subordinates Mortgage 24 to Declaration of Condominium recorded in CRFN 200400064392.

ASSIGNMENT OF SUBSTITUTE MORTGAGE C (NO. 3) made by HYPO REAL ESTATE CAPITAL CORPORATION to GERMAN AMERICAN CAPITAL CORPORATION, dated 2/13/2004 recorded 11/24/2004 in CRFN 2004000725916. Assigns Mortgage 24.

(25) SUBSTITUTE SUBORDINATE BUILDING LOAN MORTGAGE made by 731 COMMERCIAL LLC and 731 RESIDENTIAL LLC to HYPO REAL ESTATE CAPITAL CORPORATION, dated 2/13/2004 recorded 11/24/2004 in CRFN 2004000725903 to secure the sum of \$125,000,000.00 and interest. This Mortgage created pursuant to Note and Mortgage Modification and Severance Agreement recorded in CRFN 2004000725900. (Mortgage Tax paid: \$0)

ASSIGNMENT OF SUBORDINATE BUILDING LOAN MORTGAGE made by HYPO REAL ESTATE CAPITAL CORPORATION to GERMAN AMERICAN CAPITAL CORPORATION, dated 2/13/2004 recorded 11/24/2004 in CRFN 2004000725913. Assigns Mortgage 25.

AMENDED, RESTATED AND CONSOLIDATED MORTGAGE, SECURITY AGREEMENT, FINANCING STATEMENT AND ASSIGNMENT OF LEASES, RENTS AND SECURITY DEPOSITS made by and between 731 OFFICE ONE LLC and GERMAN AMERICAN CAPITAL CORPORATION dated as of 2/13/2004 recorded 11/24/2004 in CRFN 2004000725918. Consolidates Mortgages 5, 17, 20 and 23, as previously consolidated, Mortgages 16, 19 and 22, as previously consolidated, Mortgage 24 and Mortgage 25 to form a single lien of \$400,000,000.00 and amends and restates the terms thereof.

ASSIGNMENT OF MORTGAGE made by GERMAN AMERICAN CAPITAL CORPORATION to WELLS FARGO BANK, N.A., AS TRUSTEE FOR THE REGISTERED HOLDERS OF COMM 2004-LNB3 COMMERCIAL MORTGAGE PASS-THROUGH CERTIFICATES, dated as of 7/12/2004 recorded 1/12/2005 in CRFN 2005000024689. Assigns Mortgages 5, 17, 20, 23, 16, 19, 22, 24 and 25, as consolidated.

ASSIGNMENT OF MORTGAGE made by WELLS FARGO BANK, N.A., AS TRUSTEE FOR THE REGISTERED HOLDERS OF COMM 2004-LNB3 COMMERCIAL MORTGAGE

PASS-THROUGH CERTIFICATES to GERMAN AMERICAN CAPITAL CORPORATION, dated as of 2/__/2014, to be recorded. Assigns Mortgages 5, 17, 20, 23, 16, 19, 22, 24 and 25, as consolidated.

(26) AMENDED AND RESTATED MORTGAGE, ASSIGNMENT OF LEASES, RENTS AND SECURITY AGREEMENT made by and between 731 OFFICE ONE LLC and GERMAN AMERICAN CAPITAL CORPORATION dated as of 2/__/2014, to be recorded. Amends and restates Mortgages 5, 16, 17, 19, 20, 22, 23, 24 and 25, as consolidated, in the reduced principal sum of \$300,000,000.00, plus interest.

731 OFFICE ONE LLC,

as assignor

(Borrower)

to

GERMAN AMERICAN CAPITAL CORPORATION

as assignee

(Lender)

**ASSIGNMENT
OF LEASES AND RENTS**

Dated: As of February 28, 2014

Location: 731 Lexington Avenue, New York, New York

Location: 731 Lexington Avenue
New York, New York

Condominium

Unit: Office Unit 1 and Office Unit 2

Block: 1313

Lot: 1002 and 1003

County: New York

PREPARED BY AND UPON
RECORDATION RETURN TO:

Sidley Austin LLP
One South Dearborn
Chicago, Illinois 60603
Attention: Charles E. Schrank, Esq.

ASSIGNMENT OF LEASES AND RENTS

THIS ASSIGNMENT OF LEASES AND RENTS (this "*Assignment*") is made as of the 28 day of February, 2014 by **731 OFFICE ONE LLC**, a Delaware limited liability company, as assignor, having a principal place of business at c/o Alexander's, Inc., 210 Route 4 East, Paramus, New Jersey 07652 (together with its successors and assigns, "*Borrower*"), to **GERMAN AMERICAN CAPITAL CORPORATION**, a Maryland corporation, having an address at 60 Wall Street, 10th Floor, New York, New York 10005, as assignee (collectively, together with its successors and assigns, "*Lender*").

WITNESSETH:

A. This Assignment is given in connection with a loan in the principal sum of THREE HUNDRED MILLION AND NO/100 DOLLARS (\$300,000,000.00) (the "*Loan*") made by Lender to Borrower pursuant to that certain Loan Agreement dated as of the date hereof between Borrower and Lender (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the "*Loan Agreement*"), and evidenced by that certain Consolidated, Amended and Restated Promissory Note dated the date hereof made by Borrower to Lender (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the "*Note*"). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Loan Agreement.

B. The Loan is secured by that certain Amended and Restated Mortgage, Assignment of Leases and Rents and Security Agreement dated the date hereof made by Borrower for the benefit of Lender (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the "*Mortgage*"), encumbering, as a first mortgage lien thereon, the office condominium units more particularly described on Exhibit A annexed hereto and made a part hereof and the buildings, structures, fixtures, additions, enlargements, extensions, modifications, repairs, replacements and improvements now or hereafter located thereon (collectively, the "*Property*").

C. Borrower has agreed to execute and deliver this Assignment to further secure the payment and performance of all of the Obligations under the Note, the Loan Agreement and the other Loan Documents.

D. This Assignment is given pursuant to the Loan Agreement, and payment, fulfillment, and performance by Borrower of its obligations thereunder and under the other Loan Documents is secured hereby, and each and every term and provision of the Loan Agreement and the Note, including the rights, remedies, obligations, covenants, conditions, agreements, indemnities, representations and warranties therein, are hereby incorporated by reference herein as though set forth in full and shall be considered a part of this Assignment.

NOW THEREFORE, in consideration of the making of the Loan by Lender and the covenants, agreements, representations and warranties set forth in this Assignment:

ARTICLE 1
ASSIGNMENT

Section 1.1 **Property Assigned.** Borrower hereby absolutely and unconditionally assigns and grants to Lender the following property, rights, interests and estates, now owned or hereafter acquired by Borrower:

(a) **Leases.** All leases, subleases or subsubleases, lettings, licenses, concessions or other agreements (whether written or oral and whether now or hereafter in effect) pursuant to which any Person is granted a possessory interest in, or right to use or occupy all or any portion of the Property, and every modification, amendment or other agreement relating to such leases, subleases, subsubleases, or other agreements entered into in connection with such leases, subleases, subsubleases, or other agreements and every guarantee of the performance and observance of the covenants, conditions and agreements to be performed and observed by the other party thereto, heretofore or hereafter entered into, whether before or after the filing by or against Borrower of any petition for relief under 11 U.S.C. §101 et seq., as the same may be amended from time to time (the "**Bankruptcy Code**") (collectively, the "**Leases**"), together with any extension, renewal or replacement of same. This Assignment of existing and future Leases and other agreements being effective without any further or supplemental assignment documents.

(b) **Rents.** All rents, "additional rent" (i.e. pass-throughs for operating expenses, real estate tax escalations and/or real estate tax pass-throughs, payments by Tenants on account of electrical consumption, porters' wage escalations, condenser water charges and tap-in fees, freight elevator and HVAC overtime charges, charges for excessive rubbish removal and other sundry charges), rent equivalents, monies payable as damages (including payments by reason of the rejection of a Lease in a bankruptcy proceeding) or in lieu of rent or rent equivalents, royalties (including all oil and gas or other mineral royalties and bonuses), income, fees, receivables, receipts, revenues, deposits (including security, utility and other deposits), accounts, cash, issues, profits, charges for services rendered, and other payment and consideration of whatever form or nature received by or paid to or for the account of or benefit of Borrower, Manager or any of their respective agents or employees from any and all sources arising from or attributable to the Property and the Improvements, including all receivables, customer obligations, installment payment obligations and other obligations now existing or hereafter arising or created out of the sale, lease, sublease, license, concession or other grant of the right of the use and occupancy of the Property or rendering of services by or on behalf of Borrower, and Insurance Proceeds, if any, from business interruption or other loss of income insurance (collectively, the "**Rents**").

(c) **Bankruptcy Claims.** All of Borrower's claims and rights (the "**Bankruptcy Claims**") to the payment of damages arising from any rejection by a lessee of any Lease under the Bankruptcy Code.

(d) **Lease Guaranties.** All of Borrower's right, title and interest in, and claims under, any and all lease guaranties, letters of credit and any other credit support (individually, a "**Lease Guaranty**", and collectively, the "**Lease Guaranties**") given by any guarantor in connection with any of the Leases or leasing commissions (individually, a "**Lease Guarantor**", and collectively, the "**Lease Guarantors**") to Borrower.

(e) **Proceeds.** All proceeds from the sale or other disposition of the Leases, the Rents, the Lease Guaranties and/or the Bankruptcy Claims.

(f) Other. All rights, powers, privileges, options and other benefits of Borrower as the lessor under any of the Leases and the beneficiary under any of the Lease Guaranties, including, without limitation, the immediate and continuing right to make claims for, and to receive, collect and acknowledge receipt for all Rents payable or receivable under the Leases and all sums payable under the Lease Guaranties or pursuant thereto (and to apply the same to the payment of the Debt or the Other Obligations), and to do all other things which Borrower or any lessor is or may become entitled to do under any of the Leases or Lease Guaranties.

(g) Entry. The right, subject to the provisions of the Loan Agreement, at Lender's option, upon revocation of the license granted herein, to enter upon the Property, subject to the rights of Tenants, in person, by agent or by court-appointed receiver, to collect the Rents.

(h) Power Of Attorney. Borrower's irrevocable power of attorney, coupled with an interest, to take any and all of the actions set forth in Section 3.1 of this Assignment, and any or all other actions designated by Lender for the proper management and preservation of the Property, in accordance with the terms set forth in Section 3.1 of this Assignment.

(i) Other Rights And Agreements. Any and all other rights of Borrower in and to the items set forth in subsections (a) through (h) above, and all amendments, modifications, replacements, renewals and substitutions thereof.

ARTICLE 2 TERMS OF ASSIGNMENT

Section 2.1 Present Assignment and License Back. It is intended by Borrower that this Assignment constitute a present, absolute assignment of the Leases, Rents, Lease Guaranties and Bankruptcy Claims, and not an assignment for additional security only. Nevertheless, subject to the terms of this Section 2.1 and the terms of the Loan Agreement and the Cash Management Agreement, Lender grants to Borrower a revocable license to collect, receive, use and enjoy the Rents, as well as any sums due under the Lease Guaranties. Borrower shall hold the Rents, as well as all sums received pursuant to any Lease Guaranty, or a portion thereof sufficient to discharge all current sums due on the Obligations (less the amount of any reserves or Letters of Credit in respect thereof), in trust for the benefit of Lender for use in the payment of such sums.

Section 2.2 Notice to Lessees. Borrower hereby authorizes and directs the lessees named in the Leases, any other future lessees or occupants of the Property and all Lease Guarantors to pay over to Lender or to such other party as Lender directs all Rents and all sums due under any Lease Guaranties, upon receipt from Lender of written notice to the effect that Lender is then the holder of this Assignment and that an Event of Default exists and is continuing, and to continue so to do until otherwise notified by Lender; provided, however, Lender may only send such notices, and take such actions relative to such Rents and sums due under any Lease Guaranties, as are expressly permitted relative thereto pursuant to the terms of the Loan Agreement and the Cash Management Agreement. Such Rents shall be disbursed

and/or applied in accordance with the terms of the Loan Agreement and the Cash Management Agreement.

Section 2.3 Incorporation by Reference. All representations, warranties, covenants, conditions and agreements contained in the Loan Agreement and the other Loan Documents, as the same may be modified, renewed, substituted or extended from time to time, are hereby made a part of this Assignment to the same extent and with the same force as if fully set forth herein.

**ARTICLE 3
REMEDIES**

Section 3.1 Remedies of Lender. Upon the occurrence of an Event of Default, the license granted to Borrower in Section 2.1 of this Assignment shall automatically be revoked and Lender shall immediately be entitled to possession of all Rents and all sums due under any Lease Guaranties, whether or not Lender enters upon or takes control of the Property; provided, however, that upon the waiver or cure which is accepted by Lender of the Event of Default, the license granted to Borrower in Section 2.1 of this Agreement will automatically be reinstated. In addition, Lender may, at its option, while an Event of Default is continuing, without waiving such Event of Default, without regard to the adequacy of the security for the Obligations, either in person or by agent, nominee or attorney, with or without bringing any action or proceeding, or by a receiver appointed by a court, dispossess Borrower and its agents and servants from the Property, without liability for trespass, damages or otherwise (other than liability arising as a direct result of the gross negligence or willful misconduct of Lender or its agents, employees or Affiliates) and exclude Borrower and its agents or servants wholly therefrom, and take possession of the Property and all books, records and accounts relating thereto, and have, hold, manage, lease and operate the Property on such terms and for such period of time as Lender may deem proper and, either with or without taking possession of the Property, in its own name, demand, sue for or otherwise collect and receive all Rents and all sums due under all Lease Guaranties, including, without limitation, those past due and unpaid (with all such Rents and all sums due under any Lease Guaranties to be deposited into the Clearing Account to the extent and as required by the terms of the Loan Agreement and the Clearing Account Agreement), with full power to make from time to time all alterations, renovations, repairs or replacements thereto or thereof as Lender may reasonably deem proper. In addition, upon the occurrence of an Event of Default, Lender, at its option, may (1) complete any construction on the Property in such manner and form as Lender reasonably deems advisable, (2) exercise all rights and powers of Borrower, including, without limitation, the right to negotiate, execute, cancel, enforce or modify Leases, obtain and evict tenants, and demand, sue for, collect and receive all Rents from the Property and all sums due under any Lease Guaranties (with all such Rents and all sums due under any Lease Guaranties to be deposited into the Clearing Account to the extent and as required by the terms of the Loan Agreement and the Clearing Account Agreement), and/or (3) either (i) require Borrower to pay monthly in advance to Lender or to any receiver appointed to collect the Rents the fair and reasonable rental value for the use and occupancy of such part of the Property as may be in the possession of Borrower, or (ii) require Borrower to vacate and surrender possession of the Property to Lender or to such receiver and, in default thereof, Borrower may be evicted by summary proceedings or otherwise.

Section 3.2 Other Remedies. Nothing contained in this Assignment and no act done or omitted by Lender pursuant to the power and rights granted to Lender hereunder shall be deemed to be a waiver by Lender of its rights and remedies under the Loan Agreement, the Note, the Mortgage or the other Loan Documents, and this Assignment is made and accepted without prejudice to any of the rights and remedies possessed by Lender under the terms thereof. The right of Lender to collect the Obligations and to enforce any other security therefor held by it may be exercised by Lender either prior to, simultaneously with, or subsequent to any action taken by it hereunder. Borrower hereby absolutely, unconditionally and irrevocably waives any and all rights to assert any setoff, counterclaim or crossclaim of any nature whatsoever with respect to the Obligations of Borrower under this Assignment, the Loan Agreement, the Note, the other Loan Documents or otherwise with respect to the Loan in any action or proceeding brought by Lender to collect same, or any portion thereof, or to enforce and realize upon the lien and security interest created by this Assignment, the Loan Agreement, the Note, the Mortgage or any of the other Loan Documents (provided, however, that the foregoing shall not be deemed a waiver of Borrower's right to assert any compulsory counterclaim if such counterclaim is compelled under local law or rule of procedure, nor shall the foregoing be deemed a waiver of Borrower's right to assert any claim which would constitute a defense, setoff, counterclaim or crossclaim of any nature whatsoever against Lender in any separate action or proceeding).

Section 3.3 Other Security. Lender may (i) take or release other security for the payment and performance of the Obligations, (ii) release any party primarily or secondarily liable therefor, and/or (iii) apply any other security held by it to the payment and performance of the Obligations, in each instance, without prejudice to any of its rights under this Assignment.

Section 3.4 Non-Waiver. The exercise by Lender of the option granted it in Section 3.1 of this Assignment and the collection of the Rents and the sums due under the Lease Guaranties and the application thereof as provided in the Loan Documents shall not be considered a waiver of any Default or Event of Default by Borrower under the Note, the Loan Agreement, the Mortgage, this Assignment or the other Loan Documents. The failure of Lender to insist upon strict performance of any term hereof shall not be deemed to be a waiver of any term of this Assignment. Borrower shall not be relieved of Borrower's obligations hereunder by reason of (a) the failure of Lender to comply with any request of Borrower or any other party to take any action to enforce any of the provisions hereof or of the Loan Agreement, the Note or the other Loan Documents, (b) the release, regardless of consideration, of the whole or any part of the Property, or (c) any agreement or stipulation by Lender extending the time of payment or otherwise modifying or supplementing the terms of this Assignment, the Loan Agreement, the Note or the other Loan Documents (except to the extent expressly provided in a written modification or supplement executed by Lender). Lender may resort for the payment and performance of the Obligations to any other security held by Lender in such order and manner as Lender, in its sole discretion, may elect. Lender may take any action to recover the Obligations, or any portion thereof, or to enforce any covenant hereof without prejudice to the right of Lender thereafter to enforce its rights under this Assignment. The rights of Lender under this Assignment shall be separate, distinct and cumulative and none shall be given effect to the exclusion of the others. No act of Lender shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision.

Section 3.5 Bankruptcy.

(a) Upon the occurrence and during the continuance of an Event of Default, Lender shall have the right to proceed in its own name or in the name of Borrower in respect of any claim, suit, action or proceeding relating to the rejection of any Lease, including, without limitation, the right to file and prosecute, to the exclusion of Borrower, any proofs of claim, complaints, motions, applications, notices and other documents, in any case in respect of the lessee under such Lease under the Bankruptcy Code.

(b) If there shall be filed by or against Borrower a petition under the Bankruptcy Code, and Borrower, as lessor under any Lease, shall determine to reject such Lease pursuant to Section 365(a) of the Bankruptcy Code, then Borrower shall give Lender not less than ten (10) days' prior notice of the date on which Borrower shall apply to the bankruptcy court for authority to reject such Lease. Lender shall have the right, but not the obligation, to serve upon Borrower within such ten (10) day period a notice stating that (i) Lender demands that Borrower assume and assign the Lease to Lender pursuant to Section 365 of the Bankruptcy Code, and (ii) Lender covenants to cure or provide adequate assurance of future performance under the Lease. If Lender serves upon Borrower the notice described in the preceding sentence, Borrower shall not seek to reject the Lease and shall comply with the demand provided for in clause (i) of the preceding sentence within thirty (30) days after Lender's notice shall have been given, subject to the performance by Lender of the covenant provided for in clause (ii) of the preceding sentence.

ARTICLE 4
NO LIABILITY, FURTHER ASSURANCES

Section 4.1 No Liability of Lender. This Assignment shall not be construed to bind Lender to the performance of any of the covenants, conditions or provisions contained in any Lease or Lease Guaranty or otherwise impose any obligation upon Lender. Lender shall not be liable for any loss sustained by Borrower resulting from Lender's failure to let the Property during the continuance of an Event of Default or from any other act or omission of Lender in managing the Property during the continuance of an Event of Default unless such loss is caused by the gross negligence, willful misconduct or bad faith of Lender or its agents, employees or Affiliates. Lender shall not be obligated to perform or discharge any obligation, duty or liability under the Leases or any Lease Guaranties or under or by reason of this Assignment and Borrower shall indemnify Lender for, and hold Lender harmless, prior to the time that Lender or its Affiliate or designee shall become the owner of the Property, from, (a) any and all liability, loss or damage (excluding consequential or punitive damages) which may or might be incurred under the Leases, any Lease Guaranties or under or by reason of this Assignment, and (b) any and all claims and demands whatsoever, including the defense of any such claims or demands which may be asserted against Lender by reason of any alleged obligations and undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in the Leases or any Lease Guaranties, unless caused by the gross negligence, willful misconduct or bad faith of Lender or its agents, employees or Affiliates. Should Lender incur any such liability, the amount thereof, including costs, expenses and reasonable attorneys' fees and costs, shall be secured by this Assignment and by the Mortgage and the other Loan Documents and Borrower shall reimburse Lender therefor immediately upon demand and upon the failure of

Borrower so to do Lender may, at its option and upon ten (10) days' prior written notice, declare the Obligations to be immediately due and payable. Unless and until Lender or its Affiliate or designee shall become the owner of the Property, this Assignment shall not operate to place any obligation or liability for the control, care, management or repair of the Property upon Lender, nor for the carrying out of any of the terms and conditions of the Leases or any Lease Guaranties; nor shall it operate to make Lender responsible or liable for any waste committed on the Property by the tenants or any other parties, or for any dangerous or defective condition of the Property, including, without limitation, the presence of any Hazardous Substances (as defined in the Environmental Indemnity), or for any negligence in the management, upkeep, repair or control of the Property resulting in loss or injury or death to any tenant, licensee, employee or stranger, unless caused by the gross negligence, willful misconduct or bad faith of Lender or its agents, employees or Affiliates.

Section 4.2 **No Mortgagee In Possession**. Nothing herein contained shall be construed as constituting Lender a "mortgagee in possession" in the absence of the taking of actual possession of the Property by Lender. In the exercise of the powers herein granted Lender, no liability shall be asserted or enforced against Lender, all such liability being expressly waived and released by Borrower, unless caused by the gross negligence, willful misconduct or bad faith of Lender or its agents, employees or Affiliates.

Section 4.3 **Further Assurances**. Borrower will, at the cost of Borrower, and without expense to Lender, do, execute, acknowledge and deliver all and every such further acts, conveyances, assignments, notices of assignments, transfers and assurances as Lender shall, from time to time, reasonably require for the better assuring, conveying, assigning, transferring and confirming unto Lender the property and rights hereby assigned or intended now or hereafter so to be, or which Borrower may be or may hereafter become bound to convey or assign to Lender, or for carrying out the intention or facilitating the performance of the terms of this Assignment or for filing, registering or recording this Assignment and, on demand, will execute and deliver, and hereby authorizes Lender to execute in the name of Borrower to the extent Lender may lawfully do so, one or more financing statements, chattel mortgages or comparable security instruments, to evidence more effectively the lien and security interest hereof in and upon the Leases.

ARTICLE 5 **MISCELLANEOUS PROVISIONS**

Section 5.1 **Conflict of Terms**. In case of any conflict between the terms of this Assignment and the terms of the Loan Agreement, the terms of the Loan Agreement shall prevail.

Section 5.2 **No Oral Change**. This Assignment and any provisions hereof may not be modified, amended, waived, extended, changed, discharged or terminated orally, or by any act or failure to act on the part of Borrower or Lender, but only by an agreement in writing signed by the party(ies) against whom the enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

Section 5.3 **General Definitions**. Unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, words used in this Assignment may be

used interchangeably in the singular or plural form and the word "**Borrower**" shall mean "each Borrower and any subsequent owner or owners of the Property or any part thereof or interest therein," the word "**Lender**" shall mean "Lender and any subsequent holder of the Note," the word "**Note**" shall mean "the Note and any other evidence of indebtedness secured by the Loan Agreement," the word "**Property**" shall include any portion of the Property and any interest therein, and the phrases "attorneys' fees", "legal fees" and "counsel fees" shall include any and all reasonable, out-of-pocket attorneys', paralegal and law clerk fees and disbursements, including, but not limited to, reasonable fees and disbursements at the pre-trial, trial and appellate levels, incurred or paid by Lender in protecting its interest in the Property, the Leases and/or the Rents and/or in enforcing its rights hereunder. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms.

Section 5.4 Inapplicable Provisions. If any provision of this Assignment is held to be illegal, invalid or unenforceable under present or future laws effective during the term of this Assignment, such provision shall be fully severable and this Assignment shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Assignment, and the remaining provisions of this Assignment shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Assignment, unless such continued effectiveness of this Assignment, as modified, would be contrary to the basic understandings and intentions of the parties as expressed herein.

Section 5.5 Governing Law; Jurisdiction; Service of Process. WITH RESPECT TO MATTERS RELATING TO THE CREATION, PERFECTION AND PROCEDURES RELATING TO THE ENFORCEMENT OF THIS ASSIGNMENT, THIS ASSIGNMENT SHALL BE GOVERNED BY, AND BE CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE IN WHICH THE PROPERTY IS LOCATED, IT BEING UNDERSTOOD THAT, EXCEPT AS EXPRESSLY SET FORTH ABOVE IN THIS PARAGRAPH AND TO THE FULLEST EXTENT PERMITTED BY THE LAW OF SUCH STATE, THE LAW OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES SHALL GOVERN ALL MATTERS RELATING TO THIS ASSIGNMENT AND THE OTHER LOAN DOCUMENTS AND ALL OF THE INDEBTEDNESS OR OBLIGATIONS ARISING HEREUNDER OR THEREUNDER. ALL PROVISIONS OF THE LOAN AGREEMENT INCORPORATED HEREIN BY REFERENCE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES, AS SET FORTH IN THE GOVERNING LAW PROVISION OF THE LOAN AGREEMENT.

Section 5.6 Termination of Assignment. Upon the indefeasible payment in full of the Loan, this Assignment shall become and be void and of no effect.

Section 5.7 Notices. All notices or other written communications hereunder shall be delivered in accordance with Section 10.6 of the Loan Agreement.

Section 5.8 WAIVER OF TRIAL BY JURY. BORROWER HEREBY AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY,

AND FOREVER WAIVES ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST, WITH REGARD TO THIS ASSIGNMENT, THE NOTE, THE MORTGAGE OR THE OTHER LOAN DOCUMENTS, OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY BORROWER AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. LENDER IS HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY BORROWER.

Section 5.9 **Exculpation.** The provisions of Section 10.1 of the Loan Agreement are hereby incorporated by reference into this Assignment to the same extent and with the same force as if fully set forth herein.

Section 5.10 **Successors and Assigns.** This Assignment shall be binding upon and shall inure to the benefit of Borrower and Lender and their respective successors and permitted assigns forever. Lender shall have the right to assign or transfer its rights under this Assignment in connection with any assignment of the Loan and the Loan Documents in accordance with the terms of the Loan Agreement. Any such assignee or transferee of Lender shall be entitled to all the benefits afforded to Lender under this Assignment. Borrower shall not have the right to assign or transfer its rights or obligations under this Assignment other than in accordance with the terms of the Loan Agreement, and any attempted assignment in contravention of the Loan Agreement shall be null and void.

Section 5.11 **Headings, Etc.** The headings and captions of the various paragraphs of this Assignment are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

Section 5.12 **Joint and Several Liability.** If more than one Person has executed this Agreement as "***Borrower***," the representations, covenants, warranties and obligations of all such Persons hereunder shall be joint and several.

Section 5.13 **Conflict.** In the event of any conflict between the provisions of this Assignment and the Loan Agreement, the provisions of the Loan Agreement shall control.

ARTICLE 6 **NEW YORK LAW PROVISIONS**

Section 6.1 In the event of any inconsistencies between the terms and conditions of this Article 6 and the other terms and conditions of this Assignment, the terms and conditions of this Article 6 shall control and be binding.

Section 6.2 Except as not prohibited under the Loan Agreement or any other Loan Document, Borrower hereby covenants and agrees with Lender that without the written consent of Lender first had and obtained, such consent not to be unreasonably withheld, conditioned or delayed and deemed given to the extent set forth in the Loan Agreement, Borrower will not

accept, surrender, terminate, cancel, abridge or modify any of the terms, covenants and conditions of any Lease and will not collect prepayments of installments of rent to become due thereunder for more than thirty (30) days in advance. The provisions of this Section 6.2 shall be enforceable as provided in Section 291-f of the Real Property Law of New York with respect to Leases covered by said section; as to Leases not covered by said section, Lender shall be entitled to enforce the foregoing in any manner permitted by law or equity. Borrower further agrees that upon demand of Lender, Borrower will enter into a similar agreement with Lender pursuant to Section 291-f of the Real Property Law of New York providing for the above with Lender with respect to any Lease hereafter executed by Borrower relating to space in the Property; notwithstanding the provisions of this sentence, it is understood and agreed that the remaining provisions of this Section 6.2 shall also apply to Leases hereafter executed. During the continuance of an Event of Default, Borrower hereby irrevocably appoints Lender the attorney in-fact of Borrower to execute any such agreement on behalf of Borrower and to deliver to the tenant to whose Lease such agreement relates the written notice referred to in Section 291-f of the Real Property Law of New York whether or not such Lease is one to which such Section 291-f is applicable.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF, Borrower has executed this Assignment the day and year first above written.

731 OFFICE ONE LLC, a Delaware limited liability company

By: 731 OFFICE ONE HOLDING LLC, a Delaware limited liability company, its sole member

By: ALEXANDER'S, INC., a Delaware corporation, its sole member

By: /s/ Alan Rice
Name: Alan Rice
Title: Secretary

ACKNOWLEDGMENT

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

On the 24th day of February in the year 2014 before me, the undersigned, a Notary Public in and for said State, personally appeared Alan Rice, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument. Witness my hand and official seal.

/s/ Katherine G Cornish
Notary Public
Katherine G Cornish
Notary Public, State of New York
No. 01CO6267931
Qualified in New York County
Certificate Filed in New York County
Commission Expires August 27, 2016

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

The Condominium Unit (in the Building located at and known as Beacon Court Condominium and by Street Number 151 East 58th Street, New York), designated and described as Office Unit 1 and Office Unit 2 (hereinafter called the "Units") in the Declaration (hereinafter called "Declaration") made by the Sponsor under the Condominium Act of The State of New York (Article 9-B of the Real Property Law of the State of New York), dated 12/4/2003 and recorded 2/3/2004 in the Office of the Register The City of New York, County of New York, as CRFN 2004000064392, as amended and restated by Amended and Restated Declaration dated 2/8/2005, recorded 3/9/2005 in CRFN 2005000139245, establishing a plan for Condominium ownership of said Building and the land upon which the same is erected (hereinafter sometimes collectively called the "Property") and also designated and described as Tax Lots No. 1002 and 1003, respectively, Block 1313 Section 5, Borough of Manhattan on the Tax Map of the Real property assessment department of the City of New York and on the floor plans of said Building certified by Peter Claman, Registered Architect on 1/30/2004 and filed as Condominium Plan No. 1350 on 2/3/2004 in the aforesaid Register's Office in CRFN 2004000064383, amended Floor Plans filed as Condominium Plan No. 1350-A on 3/9/2005 in CRFN 2005000139246.

The land upon which the Building containing the Unit is erected as follows:

DESCRIPTION OF THE LAND

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

BEGINNING at the corner formed by the intersection of the southerly side of East 59th Street and the westerly side of Third Avenue;

RUNNING THENCE southerly along the westerly side of Third Avenue, 200 feet 10 inches to the northerly side of East 58th Street;

THENCE westerly along the northerly side of East 58th Street 420 feet to the easterly side of Lexington Avenue;

THENCE northerly along the easterly side of Lexington Avenue, 200 feet 10 inches to the southerly side of East 59th Street;

THENCE easterly along the southerly side of East 59th Street, 420 feet to the point or place of BEGINNING.

TOGETHER with the benefits and SUBJECT to the burdens of the easements set forth in the deed made by Seven Thirty One Limited Partnership to 59th Street Corporation dated as of 8/1/2001 and recorded 8/8/2001 in Reel 3339 Page 1100.

DESCRIPTION OF THE COMMERCIAL PREMISES:

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

BEGINNING at the corner formed by the intersection of the southerly side of East 59th Street and the westerly side of Third Avenue;

RUNNING THENCE southerly along the westerly side of Third Avenue, 200 feet 10 inches to the northerly side of East 58th Street;

THENCE westerly along the northerly side of East 58th Street, 420 feet to the easterly side of Lexington Avenue;

THENCE northerly along the easterly side of Lexington Avenue, 200 feet 1 inches to the southerly side of East 59th Street;

THENCE easterly, along the southerly side of East 59th Street, 420 feet to the point or place of BEGINNING.

TOGETHER with the benefits and SUBJECT to the burdens of the easements set forth in the deed made by Seven Thirty One Limited Partnership to 59th Street Corporation dated as of 8/1/2001 and recorded 8/8/2001 in Reel 3339 Page 1100.

LESS and EXCEPT:

ALL that portion of the below described parcel lying between a lower horizontal plan drawn at elevation 512 feet 02 inches above the datum level used by the Topographical Bureau, Borough of Manhattan, which is 1 feet 9 inches above National Geodetic Survey Vertical Datum of 1929, mean sea level, Sandy Hook, New Jersey and an upper horizontal plan drawn at 809 feet 2 inches above such datum level, bounded and described as follows:

BEGINNING at a point distant 48 feet 8 inches north of the northerly line of East 58th Street and 30 feet 9 inches east of easterly line of Lexington Avenue;

RUNNING THENCE northerly parallel with the easterly line of Lexington Avenue, 12 feet 6 inches;

THENCE westerly parallel with the northerly line of East 58th Street, 5 feet 10 inches;

THENCE northerly parallel with the easterly line of Lexington Avenue, 78 feet 6 inches;

THENCE easterly parallel with the northerly line of East 58th Street, 5 feet 10 inches;

THENCE northerly parallel with the easterly line of Lexington Avenue, 12 feet 6 inches;

THENCE easterly parallel with the northerly line of East 58th Street, 103 feet 6 inches;

THENCE southerly parallel with the easterly line of Lexington Avenue, 7 feet 6 inches;

THENCE easterly parallel with the northerly line of East 58th Street, 35 feet 0 inches;

THENCE southerly parallel with the easterly line of Lexington Avenue, 88 feet 6 inches;

THENCE westerly parallel with the northerly line of East 58th Street, 35 feet 0 inches;

THENCE southerly parallel with the easterly line of Lexington Avenue, 7 feet 6 inches;

THENCE westerly parallel with the northerly line of East 58th Street, 103 feet 6 inches to the point or place of BEGINNING.

DESCRIPTION OF THE RESIDENTIAL PREMISES

All that portion of the below described parcel lying between a lower horizontal plane drawn at elevation 512 feet 2 inches above the datum level used by the Topographical Bureau, Borough of Manhattan, which is 2 feet 9 inches above National Geodetic Survey Vertical Datum of 1929, mean sea level, Sandy Hook, New Jersey and an upper horizontal plane drawn at 809 feet 2 inches above such datum level, bounded and described as follows:

BEGINNING at a point distant 48 feet 8 inches north of the northerly line of East 58th Street and 30 feet 9 inches East of easterly line of Lexington Avenue:

RUNNING THENCE northerly parallel with easterly line of Lexington Avenue, 12 feet 6 inches;

THENCE westerly parallel with the northerly line of East 58th Street, 5 feet 10 feet;

THENCE northerly parallel with the easterly line of Lexington Avenue, 78 feet 6 inches;

THENCE easterly parallel with the northerly line of East 58th Street, 5 feet 10 inches;

THENCE northerly parallel with the easterly line of Lexington Avenue, 12 feet 6 inches;

THENCE easterly parallel with the northerly line of East 58th Street, 103 feet 6 feet;

THENCE southerly parallel with the easterly line of Lexington Avenue, 7 feet 6 inches;

THENCE easterly parallel with the northerly line of East 58th Street, 35 feet 0 inches;

THENCE southerly parallel with the easterly line of Lexington Avenue, 88 feet 6 inches;

THENCE westerly parallel with the northerly line of East 58th Street, 35 feet 0 inches;

THENCE southerly parallel with the easterly line of Lexington Avenue, 7 feet 6 inches;

THENCE westerly parallel with the northerly line of East 58th Street, 103 feet 6 inches to the point or place of BEGINNING.

TOGETHER with an undivided 49.0559% and 14.0095% interests, respectively, in the Common Elements of the Property as described in the Declaration (hereinafter called the "Common Elements") recorded as CRFN 2004000064392.

GUARANTY OF RECOURSE OBLIGATIONS

This **GUARANTY OF RECOURSE OBLIGATIONS** (this "**Guaranty**") is executed as of February 28, 2014 by **ALEXANDER'S INC.**, a Delaware corporation, having an address at 210 Route 4 East, Paramus, New Jersey 07652 (together with successors and/or assigns, "**Guarantor**"), for the benefit of **GERMAN AMERICAN CAPITAL CORPORATION**, a Maryland corporation, having an address at 60 Wall Street, 10th Floor, New York, New York 10005 (collectively, together with its successors and/or assigns, "**Lender**").

WITNESSETH:

A. Pursuant to that certain Consolidated, Amended and Restated Promissory Note, dated of even date herewith, executed by 731 OFFICE ONE LLC, a Delaware limited liability company ("**Borrower**"), and payable to the order of Lender in the original principal amount of THREE HUNDRED MILLION and No/100 Dollars (\$300,000,000.00) (together with all renewals, modifications, increases and extensions thereof, the "**Note**"), Borrower has become indebted, and may from time to time be further indebted, to Lender with respect to a loan (the "**Loan**") which is made pursuant to that certain Loan Agreement, dated of even date herewith, between Borrower and Lender (as the same may be amended, modified, supplemented, replaced or otherwise modified from time to time, the "**Loan Agreement**"). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Loan Agreement.

B. Lender is not willing to make the Loan, or otherwise extend credit, to Borrower unless Guarantor unconditionally guarantees the payment and performance to Lender of the Guaranteed Obligations (as herein defined).

C. Guarantor is the owner of direct or indirect interests in Borrower, and Guarantor will directly benefit from Lender's making the Loan to Borrower.

NOW, THEREFORE, as an inducement to Lender to make the Loan to Borrower and to extend such additional credit as Lender may from time to time agree to extend under the Loan Documents, and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

ARTICLE 1
NATURE AND SCOPE OF GUARANTY

Section 1.1 Guaranty of Obligation

(a) Guarantor hereby irrevocably and unconditionally guarantees to Lender and its successors and assigns the payment of the Guaranteed Obligations (as defined below) as and when the same shall be due and payable, whether by lapse of time, by acceleration of maturity or otherwise. Guarantor hereby irrevocably and unconditionally covenants and agrees that it is liable for the Guaranteed Obligations as a primary obligor.

(b) As used herein, the term “**Guaranteed Obligations**” means (A) Borrower’s Recourse Liabilities set forth in Section 10.1 of the Loan Agreement, and (B) from and after the date that any Springing Recourse Event occurs, payment of all of the Obligations.

(c) Notwithstanding anything to the contrary in this Guaranty or in any of the other Loan Documents, Lender shall not be deemed to have waived any right which Lender may have against Borrower under Section 506(a), 506(b), 1111(b) or any other provisions of the Bankruptcy Code to file a claim for the full amount of the Obligations or to require that all collateral shall continue to secure all of the Obligations owing to Lender in accordance with the Loan Documents.

Section 1.2 Nature of Guaranty. This Guaranty is an irrevocable, absolute, continuing guaranty of payment and not a guaranty of collection. This Guaranty may not be revoked by Guarantor and shall continue to be effective with respect to any Guaranteed Obligations arising or created after any attempted revocation by Guarantor and after (if Guarantor is a natural person) Guarantor’s death (in which event this Guaranty shall be binding upon Guarantor’s estate and Guarantor’s legal representatives and heirs). The fact that at any time or from time to time the Guaranteed Obligations may be increased or reduced shall not release or discharge the obligation of Guarantor to Lender with respect to the Guaranteed Obligations. This Guaranty may be enforced by Lender and any subsequent holder of the Note and shall not be discharged by the assignment or negotiation of all or part of the Note.

Section 1.3 Guaranteed Obligations Not Reduced by Offset. The Guaranteed Obligations and the liabilities and obligations of Guarantor to Lender hereunder shall not be reduced, discharged or released because or by reason of any existing or future offset, claim or defense of Borrower or any other party against Lender or against payment of the Guaranteed Obligations, whether such offset, claim or defense arises in connection with the Guaranteed Obligations (or the transactions creating the Guaranteed Obligations) or otherwise.

Section 1.4 Payment By Guarantor. If all or any part of the Guaranteed Obligations shall not be punctually paid when due, whether at demand, maturity, acceleration or otherwise, Guarantor shall, immediately upon demand by Lender and, other than as expressly provided in the Loan Documents, without presentment, protest, notice of protest, notice of non-payment, notice of intention to accelerate the maturity, notice of acceleration of the maturity or any other notice whatsoever, all such notices being hereby waived by Guarantor, pay in lawful money of the United States of America, the amount due on the Guaranteed Obligations to Lender at Lender’s address as set forth herein. Such demand(s) may be made at any time coincident with or after the time for payment of all or part of the Guaranteed Obligations and may be made from time to time with respect to the same or different items of Guaranteed Obligations. Such demand shall be deemed made, given and received in accordance with the notice provisions hereof.

Section 1.5 No Duty To Pursue Others. It shall not be necessary for Lender (and Guarantor hereby waives any rights which Guarantor may have to require Lender), in order to enforce the obligations of Guarantor hereunder, first to (i) institute suit or exhaust its remedies against Borrower or others liable on the Loan or the Guaranteed Obligations or any other Person, (ii) enforce Lender’s rights against any collateral which shall ever have been given to secure the Loan, (iii) enforce Lender’s rights against any other guarantors of the Guaranteed Obligations,

(iv) join Borrower or any others liable on the Guaranteed Obligations in any action seeking to enforce this Guaranty, (v) exhaust any remedies available to Lender against any collateral which shall ever have been given to secure the Loan, or (vi) resort to any other means of obtaining payment of the Guaranteed Obligations. Lender shall not be required to mitigate damages or take any other action to reduce, collect or enforce the Guaranteed Obligations.

Section 1.6 Waivers. Guarantor agrees to the provisions of the Loan Documents and hereby waives notice of (i) any loans or advances made by Lender to Borrower, (ii) acceptance of this Guaranty, (iii) any amendment or extension of the Note, the Mortgage, the Loan Agreement or any other Loan Document, (iv) the execution and delivery by Borrower and Lender of any other loan or credit agreement or of Borrower's execution and delivery of any promissory note or other document arising under the Loan Documents or in connection with the Property, (v) the occurrence of (A) any breach by Borrower of any of the terms or conditions of the Loan Agreement or any of the other Loan Documents, or (B) an Event of Default, (vi) Lender's transfer or disposition of the Guaranteed Obligations, or any part thereof, (vii) the sale or foreclosure (or the posting or advertising for the sale or foreclosure) of any collateral for the Guaranteed Obligations, (viii) protest, proof of non-payment or default by Borrower, or (ix) any other action at any time taken or omitted by Lender and, generally, except as expressly provided in the Loan Documents, all demands and notices of every kind in connection with this Guaranty, the Loan Documents, any documents or agreements evidencing, securing or relating to any of the Guaranteed Obligations and/or the obligations hereby guaranteed.

Section 1.7 Payment of Expenses. In the event that Guarantor shall breach or fail to timely perform any provisions of this Guaranty, Guarantor shall, immediately within five (5) Business Days following demand by Lender, pay Lender all costs and expenses (including court costs and reasonable attorneys' fees) incurred by Lender in the enforcement hereof, together with interest thereon at the Default Rate from the date due, but without duplication of any such costs or expenses actually paid by Borrower. The covenant contained in this Section shall survive the payment and performance of the Guaranteed Obligations.

Section 1.8 Effect of Bankruptcy. In the event that pursuant to any insolvency, bankruptcy, reorganization, receivership or other debtor relief law or any judgment, order or decision thereunder, Lender must rescind or restore any payment or any part thereof received by Lender in satisfaction of the Guaranteed Obligations, as set forth herein, any prior release or discharge from the terms of this Guaranty given to Guarantor by Lender shall be without effect and this Guaranty shall remain (or shall be reinstated to be) in full force and effect. It is the intention of Borrower and Guarantor that Guarantor's obligations hereunder shall not be discharged except by Guarantor's performance of such obligations and then only to the extent of such performance.

Section 1.9 Waiver of Subrogation, Reimbursement and Contribution. Notwithstanding anything to the contrary contained in this Guaranty, Guarantor hereby unconditionally and irrevocably waives, releases and abrogates any and all rights it may now or hereafter have under any agreement, at law or in equity (including, without limitation, any law subrogating Guarantor to the rights of Lender), to assert any claim against or seek contribution, indemnification or any other form of reimbursement from Borrower or any other party liable for the payment of any or all of the Guaranteed Obligations for any payment made by Guarantor

under or in connection with this Guaranty or otherwise (it being understood that any such right, claim, remedy or benefit of Guarantor shall be available to it following the repayment in full of the Loan).

Section 1.10 Termination. This Guaranty shall terminate and be of no further force and effect upon the date which is ninety-one (91) days subsequent to the earlier of the date on which (x) the Loan has been paid and satisfied or defeased in full (exclusive of any indemnification or other obligations which pursuant to the terms of the Loan Documents survive satisfaction or defeasance of the Note) or (y) the Lien of the Mortgage has been released in accordance with the terms of the Loan Agreement and the other Loan Documents; provided, however, that Guarantor's liability hereunder shall survive such termination with respect to any and all Guaranteed Obligations related to or arising from acts, events or circumstances which occurred prior to such date. Upon such termination, at the request of Guarantor, Lender shall deliver a written statement confirming the termination of this Guaranty, subject to and in accordance with this Section 1.10. Notwithstanding anything to the contrary contained herein, Guarantor shall not have any liability hereunder with respect to any acts, events or circumstances first arising after the date on which Lender or its agent, representative, designee or purchaser acquires title to the Property, whether through foreclosure, private power of sale or the delivery of a deed-in-lieu of foreclosure. In addition, in no event shall Guarantor have any liability hereunder with respect to any specific acts taken by any receiver, conservator, trustee or liquidator that is not an Affiliate of Guarantor and is appointed by or on behalf of Lender.

ARTICLE 2
EVENTS AND CIRCUMSTANCES NOT REDUCING
OR DISCHARGING GUARANTOR'S OBLIGATIONS

Guarantor hereby consents and agrees to each of the following and agrees that Guarantor's obligations under this Guaranty shall not be released, diminished, impaired, reduced or adversely affected by any of the following and waives any common law, equitable, statutory or other rights (including, without limitation, rights to notice) which Guarantor might otherwise have as a result of or in connection with any of the following:

Section 2.1 Modifications. Any renewal, extension, increase, modification, alteration or rearrangement of all or any part of the Guaranteed Obligations, the Note, the Mortgage, the Loan Agreement, the other Loan Documents or any other document, instrument, contract or understanding between Borrower and Lender or any other parties pertaining to the Guaranteed Obligations or any failure of Lender to notify Guarantor of any such action.

Section 2.2 Adjustment. Any adjustment, indulgence, forbearance or compromise that might be granted or given by Lender to Borrower or Guarantor, except to the extent of such adjustment, indulgence, forbearance or compromise, as applicable.

Section 2.3 Condition of Borrower or Guarantor. The insolvency, bankruptcy, arrangement, adjustment, composition, liquidation, disability, dissolution or lack of power of Borrower, Guarantor or any other Person at any time liable for the payment of all or part of the Guaranteed Obligations; or any dissolution of Borrower or Guarantor or any sale, lease or transfer of any or all of the assets of Borrower or Guarantor or any changes in the direct or

indirect shareholders, partners or members, as applicable, of Borrower or Guarantor; or any reorganization of Borrower or Guarantor.

Section 2.4 Invalidity of Guaranteed Obligations. The invalidity, illegality or unenforceability of all or any part of the Guaranteed Obligations or any document or agreement executed in connection with the Guaranteed Obligations for any reason whatsoever, including, without limitation, the fact that (i) the Guaranteed Obligations or any part thereof exceeds the amount permitted by law, (ii) the act of creating the Guaranteed Obligations or any part thereof is *ultra vires*, (iii) the officers or representatives executing the Note, the Mortgage, the Loan Agreement or the other Loan Documents or otherwise creating the Guaranteed Obligations acted in excess of their authority, (iv) the Guaranteed Obligations violate applicable usury laws, (v) the Borrower had valid defenses, claims or offsets, whether at law, in equity or by agreement (other than the defense of payment of the Guaranteed Obligations), which render the Guaranteed Obligations wholly or partially uncollectible from Borrower, (vi) the creation, performance or repayment of the Guaranteed Obligations (or the execution, delivery and performance of any document or instrument representing part of the Guaranteed Obligations or executed in connection with the Guaranteed Obligations or given to secure the repayment of the Guaranteed Obligations) is illegal, uncollectible or unenforceable, or (vii) the Note, the Mortgage, the Loan Agreement or any of the other Loan Documents have been forged or otherwise are irregular or not genuine or authentic, it being agreed that Guarantor shall remain liable hereon regardless of whether Borrower or any other Person be found not liable on the Guaranteed Obligations or any part thereof for any reason.

Section 2.5 Release of Obligors. Any full or partial release of the liability of Borrower for the Guaranteed Obligations or any part thereof, or of any co-guarantors, or of any other Person now or hereafter liable, whether directly or indirectly, jointly, severally, or jointly and severally, to pay, perform, guarantee or assure the payment of the Guaranteed Obligations, or any part thereof, it being recognized, acknowledged and agreed by Guarantor that Guarantor may be required to pay the Guaranteed Obligations in full without assistance or support from any other Person, and Guarantor has not been induced to enter into this Guaranty on the basis of a contemplation, belief, understanding or agreement that other Persons (including Borrower) will be liable to pay or perform the Guaranteed Obligations or that Lender will look to other Persons (including Borrower) to pay or perform the Guaranteed Obligations.

Section 2.6 Other Collateral. The taking or accepting of any other security, collateral or guaranty, or other assurance of payment, for all or any part of the Guaranteed Obligations.

Section 2.7 Release of Collateral. Any release, surrender, exchange, subordination, deterioration, waste, loss or impairment (including, without limitation, negligent, willful, unreasonable or unjustifiable impairment) of any collateral, property or security at any time existing in connection with, or assuring or securing payment of, all or any part of the Guaranteed Obligations.

Section 2.8 Care and Diligence. The failure of Lender or any other party to exercise diligence or reasonable care in the preservation, protection, enforcement, sale or other handling or treatment of all or any part of any collateral, property or security, including, but not limited to,

any neglect, delay, omission, failure or refusal of Lender (i) to take or prosecute any action for the collection of any of the Guaranteed Obligations, or (ii) to foreclose, or initiate any action to foreclose, or, once commenced, prosecute to completion any action to foreclose upon any security therefor, or (iii) to take or prosecute any action in connection with any instrument or agreement evidencing or securing all or any part of the Guaranteed Obligations.

Section 2.9 Unenforceability. The fact that any collateral, security, security interest or lien contemplated or intended to be given, created or granted as security for the repayment of the Guaranteed Obligations, or any part thereof, shall not be properly perfected or created, or shall prove to be unenforceable or subordinate to any other security interest or lien, it being recognized and agreed by Guarantor that Guarantor is not entering into this Guaranty in reliance on, or in contemplation of the benefits of, the validity, enforceability, collectibility or value of any of the collateral for the Guaranteed Obligations.

Section 2.10 Offset. Any existing or future right of offset, claim or defense (other than the defense of payment of the Guaranteed Obligations) of Borrower against Lender, or any other party, or against payment of the Guaranteed Obligations, whether such right of offset, claim or defense arises in connection with the Guaranteed Obligations (or the transactions creating the Guaranteed Obligations) or otherwise.

Section 2.11 Merger. The reorganization, merger or consolidation of Borrower or Guarantor into or with any other Person.

Section 2.12 Preference. Any payment by Borrower to Lender is held to constitute a preference under bankruptcy laws or for any reason Lender is required to refund such payment or pay such amount to Borrower or to any other Person.

Section 2.13 Other Actions Taken or Omitted. Any other action taken or omitted to be taken with respect to the Loan Documents, the Guaranteed Obligations or the security and collateral therefor (other than actions or omissions expressly agreed to in writing by Lender), whether or not such action or omission prejudices Guarantor or increases the likelihood that Guarantor will be required to pay the Guaranteed Obligations pursuant to the terms hereof, it being the unambiguous and unequivocal intention of Guarantor that Guarantor shall be obligated to pay the Guaranteed Obligations when due, notwithstanding any occurrence, circumstance, event, action or omission whatsoever, whether contemplated or un contemplated, and whether or not otherwise or particularly described herein (other than actions or omissions expressly agreed to in writing by Lender), which obligation shall be deemed satisfied only upon the full and final payment and satisfaction of the Guaranteed Obligations.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

To induce Lender to enter into the Loan Documents and to extend credit to Borrower, Guarantor represents and warrants to Lender as follows:

Section 3.1 Benefit. Guarantor is an Affiliate of Borrower, is the owner of a direct or indirect interest in Borrower and has received, or will receive, direct or indirect benefit from the making of this Guaranty with respect to the Guaranteed Obligations.

Section 3.2 Familiarity and Reliance. Guarantor is familiar with, and has independently reviewed books and records regarding, the financial condition of Borrower and is familiar with the value of any and all collateral intended to be created as security for the payment of the Note or Guaranteed Obligations; however, Guarantor is not relying on such financial condition or the collateral as an inducement to enter into this Guaranty.

Section 3.3 No Representation By Lender. Neither Lender nor any other party has made any representation, warranty or statement to Guarantor in order to induce Guarantor to execute this Guaranty.

Section 3.4 Guarantor's Financial Condition. As of the date hereof, and after giving effect to this Guaranty and the contingent obligation evidenced hereby, Guarantor (a) is and will be solvent, (b) has and will have assets which, fairly valued, exceed its obligations, liabilities (including contingent liabilities) and debts, and (c) has and will have property and assets sufficient to satisfy and repay its obligations and liabilities, including the Guaranteed Obligations.

Section 3.5 Legality. The execution, delivery and performance by Guarantor of this Guaranty and the consummation of the transactions contemplated hereunder do not and will not contravene or conflict with any law, statute or regulation whatsoever to which Guarantor is subject, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under, or result in the breach of, any indenture, mortgage, charge, lien, contract, agreement or other instrument to which Guarantor is a party or which may be applicable to Guarantor. This Guaranty is a legal and binding obligation of Guarantor and is enforceable against Guarantor in accordance with its terms, except as limited by bankruptcy, insolvency or other laws of general application relating to the enforcement of creditors' rights.

Section 3.6 Litigation. There is no action, suit, proceeding or investigation pending or, to Guarantor's knowledge, threatened against Guarantor in any court or by or before any other Governmental Authority, or labor controversy affecting Guarantor or any of its properties, businesses, assets or revenues, which would reasonably be expected to (i) materially and adversely affect the ability of Guarantor to pay and perform its obligations under this Guaranty or (ii) materially and adversely affect the financial condition of Guarantor.

Section 3.7 Survival. All representations and warranties made by Guarantor herein shall survive the execution hereof.

ARTICLE 4 **SUBORDINATION OF CERTAIN INDEBTEDNESS**

Section 4.1 Subordination of All Guarantor Claims. As used herein, the term "*Guarantor Claims*" shall mean all debts and liabilities of Borrower to Guarantor, whether such debts and liabilities now exist or are hereafter incurred or arise, and whether the obligations of Borrower thereon be direct, contingent, primary, secondary, several, joint and several, or otherwise, and irrespective of whether such debts or liabilities be evidenced by note, contract, open account, or otherwise, and irrespective of the Person or Persons in whose favor such debts or liabilities may, at their inception, have been, or may hereafter be, created, or the manner in

which they have been, or may hereafter be, acquired by Guarantor. The Guarantor Claims shall include, without limitation, all rights and claims of Guarantor against Borrower (arising as a result of subrogation or otherwise) as a result of Guarantor's payment of all or a portion of the Guaranteed Obligations. So long as an Event of Default shall have occurred and be continuing, Guarantor shall not receive or collect, directly or indirectly, from Borrower or any Affiliate of Borrower any amount upon the Guarantor Claims.

Section 4.2 Claims in Bankruptcy. In the event of any receivership, bankruptcy, reorganization, arrangement, debtor's relief or other insolvency proceeding involving Guarantor as a debtor, Lender shall have the right to prove its claim in any such proceeding so as to establish its rights hereunder and receive directly from the receiver, trustee or other court custodian dividends and payments which would otherwise be payable upon Guarantor Claims. Guarantor hereby assigns such dividends and payments to Lender. Should Lender receive, for application against the Guaranteed Obligations, any dividend or payment which is otherwise payable to Guarantor and which, as between Borrower and Guarantor, shall constitute a credit against the Guarantor Claims, then, upon payment to Lender in full of the Obligations and the Guaranteed Obligations, Guarantor shall become subrogated to the rights of Lender to the extent that such payments to Lender on the Guarantor Claims have contributed toward the liquidation of the Guaranteed Obligations, and such subrogation shall be with respect to that proportion of the Guaranteed Obligations which would have been unpaid if Lender had not received dividends or payments upon the Guarantor Claims.

Section 4.3 Payments Held in Trust. Notwithstanding anything to the contrary contained in this Guaranty, in the event that Guarantor should receive any funds, payments, claims and/or distributions which are prohibited by this Guaranty, Guarantor agrees to hold in trust for Lender an amount equal to the amount of all funds, payments, claims and/or distributions so received, and agrees that it shall have absolutely no dominion over the amount of such funds, payments, claims and/or distributions so received except to pay such funds, payments, claims and/or distributions promptly to Lender, and Guarantor covenants promptly to pay the same to Lender.

Section 4.4 Liens Subordinate. Guarantor agrees that any liens, security interests, judgment liens, charges or other encumbrances upon Borrower's assets securing payment of the Guarantor Claims shall be and remain inferior and subordinate to any liens, security interests, judgment liens, charges or other encumbrances upon Borrower's assets securing payment of the Guaranteed Obligations, regardless of whether such encumbrances in favor of Guarantor or Lender presently exist or are hereafter created or attach. Without the prior written consent of Lender, Guarantor shall not (i) exercise or enforce any creditor's rights it may have against Borrower, or (ii) foreclose, repossess, sequester or otherwise take steps or institute any action or proceedings (judicial or otherwise, including, without limitation, the commencement of, or the joinder in, any liquidation, bankruptcy, rearrangement, debtor's relief or insolvency proceeding) to enforce any liens, mortgages, deeds of trust, security interests, collateral rights, judgments or other encumbrances on the assets of Borrower held by Guarantor. The foregoing shall in no manner vitiate or amend, nor be deemed to vitiate or amend, any prohibition in the Loan Documents against Borrower granting liens or security interests in any of its assets to any Person other than Lender.

ARTICLE 5
COVENANTS

Section 5.1 **Net Worth.** As used in this Article 5, “Net Worth” shall have the following meaning:

“*Net Worth*” shall have the meaning set forth in the Loan Agreement.

Section 5.2 **Covenants.** Until all of the Obligations and the Guaranteed Obligations have been paid in full, Guarantor shall maintain a Net Worth excluding the Property of not less than \$250,000,000 (the “*Net Worth Threshold*”).

Section 5.3 **Financial Statements.**

(a) Guarantor shall deliver to Lender within 90 days after the end of each fiscal year of Guarantor, a complete copy of Guarantor’s annual financial statements audited by an Independent Accountant, prepared in accordance with GAAP, including statements of income and expense and cash flow and a balance sheet for Guarantor, together with a certificate of the chief financial officer of Guarantor (A) setting forth in reasonable detail Guarantor’s Net Worth as of the end of such prior calendar year and based on such annual financial statements, and (B) certifying that such annual financial statements are true, correct, accurate and complete and fairly present the financial condition and results of the operations of such person; *provided*, that notwithstanding anything in this Section 5.3(a), to the contrary, the filing of Guarantor’s periodic reports on Form 10-Q and Form 10-K, as applicable, with the Securities and Exchange Commission, along with a certificate of the chief financial officer of Guarantor certifying as to Guarantor’s Net Worth as of the end of such prior calendar year shall be deemed to satisfy this obligations of Guarantor under this Section 5.3(a);

(b) Guarantor shall deliver to Lender within 45 days after the end of each fiscal quarter of Guarantor (other than the fourth fiscal quarter), financial statements (including a balance sheet as of the end of such fiscal quarter and a statement of income and expense for such fiscal quarter) certified by the chief financial officer of Guarantor and in form, content, level of detail and scope reasonably satisfactory to Lender, together with a certificate of the chief financial officer of Guarantor (A) setting forth in reasonable detail Guarantor’s Net Worth as of the end of such prior calendar quarter and based on the foregoing quarterly financial statements, and (B) certifying that such quarterly financial statements are true, correct, accurate and complete and fairly present the financial condition and results of the operations of Guarantor in a manner consistent with GAAP; *provided*, that notwithstanding anything in this Section 5.3(b) to the contrary, the filing of Guarantor’s periodic reports on Form 10-Q and Form 10-K, as applicable, with the Securities and Exchange Commission, along with a certificate of the chief financial officer of Guarantor certifying as to Guarantor’s Net Worth as of the end of such prior calendar year shall be deemed to satisfy this obligations of Guarantor under this Section 5.3(b); and

(c) Guarantor shall deliver to Lender 20 days after request by Lender, such other financial information with respect to such Guarantor as Lender may reasonably request; *provided*, that for so long as Guarantor is making filing regular period reports on Form 10-Q and

Form 10-K, as applicable, with the Securities and Exchange Commission, this Section 5.4(c) shall not apply.

Section 5.4 Defaults: A breach by Guarantor of the terms of this Article 5 shall constitute a Default hereunder.

**ARTICLE 6
MISCELLANEOUS**

Section 6.1 Waiver: No failure to exercise, and no delay in exercising, on the part of Lender, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right. The rights of Lender hereunder shall be in addition to all other rights provided by law. No modification or waiver of any provision of this Guaranty, nor any consent to any departure therefrom, shall be effective unless in writing and no such consent or waiver shall extend beyond the particular case and purpose involved. No notice or demand given in any case shall constitute a waiver of the right to take other action in the same, similar or other instances without such notice or demand.

Section 6.2 Notices: All notices, demands, requests, consents, approvals or other communications (any of the foregoing, a "**Notice**") required, permitted or desired to be given hereunder shall be in writing and shall be sent by telefax (with answer back acknowledged) or by registered or certified mail, postage prepaid, return receipt requested, or delivered by hand or by reputable overnight courier, addressed to the party to be so notified at its address hereinafter set forth, or to such other address as such party may hereafter specify in accordance with the provisions of this Section 6.2. Any Notice shall be deemed to have been received: (a) three (3) days after the date such Notice is mailed, (b) on the date of sending by telefax if sent during business hours on a Business Day (otherwise on the next Business Day), (c) on the date of delivery by hand if delivered during business hours on a Business Day (otherwise on the next Business Day), and (d) on the next Business Day if sent by an overnight commercial courier, in each case addressed to the parties as follows:

If to Lender: German American Capital Corporation
60 Wall Street, 10th Floor
New York, New York 10005
Attention: Robert W. Pettinato, Jr.
Facsimile No.: (212) 797-4489

and to: German American Capital Corporation
60 Wall Street, 10th Floor
New York, New York 10005
Attention: General Counsel
Facsimile No.: (646) 736-5721

with a copy to: Sidley Austin LLP
One South Dearborn
Chicago, Illinois 60603
Attention: Charles E. Schrank Esq.
Facsimile No.: (312) 853-7036

If to Guarantor: Alexander's, Inc.
210 Route 4 East
Paramus, New Jersey 07652
Attention: Chief Financial Officer
Facsimile No.: (212) 894-7073

with a copy to: Vornado Realty Trust
888 Seventh Avenue
New York, New York 10019
Attention: Corporation Counsel
Facsimile No.: (212) 894-7996

with a copy to: Sullivan & Cromwell LLP
125 Broad Street
New York, New York 10004
Attention: Arthur S. Adler, Esq.
Facsimile No.: (212) 291-9001

Any party may change the address to which any such Notice is to be delivered by furnishing ten (10) days' written notice of such change to the other parties in accordance with the provisions of this Section 6.2. Notices shall be deemed to have been given on the date set forth above, even if there is an inability to actually deliver any Notice because of a changed address of which no Notice was given or there is a rejection or refusal to accept any Notice offered for delivery. Notice for any party may be given by its respective counsel. Additionally, Notice from Lender may also be given by Servicer.

Section 6.3 Governing Law; Jurisdiction; Service of Process. (a) THIS GUARANTY WAS NEGOTIATED IN THE STATE OF NEW YORK, AND MADE BY GUARANTOR AND ACCEPTED BY LENDER IN THE STATE OF NEW YORK, AND THE PROCEEDS OF THE NOTE WERE DISBURSED FROM THE STATE OF NEW YORK, WHICH STATE THE PARTIES AGREE HAS A SUBSTANTIAL RELATIONSHIP TO THE PARTIES AND TO THE UNDERLYING TRANSACTION RELATED HERETO, AND IN ALL RESPECTS, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS GUARANTY AND THE OBLIGATIONS ARISING HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED IN SUCH STATE (WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS) AND ANY APPLICABLE LAW OF THE UNITED STATES OF AMERICA. TO THE FULLEST EXTENT PERMITTED BY LAW, GUARANTOR AND, BY ITS ACCEPTANCE HEREOF, LENDER EACH

HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY CLAIM TO ASSERT THAT THE LAW OF ANY OTHER JURISDICTION GOVERNS THIS GUARANTY AND/OR THE OTHER LOAN DOCUMENTS, AND THIS GUARANTY AND THE OTHER LOAN DOCUMENTS SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK PURSUANT TO SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW.(b) ANY LEGAL SUIT, ACTION OR PROCEEDING AGAINST LENDER OR GUARANTOR ARISING OUT OF OR RELATING TO THIS GUARANTY MAY BE INSTITUTED IN ANY FEDERAL OR STATE COURT IN THE CITY OF NEW YORK, COUNTY OF NEW YORK, PURSUANT TO SECTION 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW, AND GUARANTOR AND, BY ITS ACCEPTANCE HEREOF, LENDER EACH WAIVES ANY OBJECTIONS WHICH IT MAY NOW OR HEREAFTER HAVE BASED ON VENUE AND/OR FORUM NON CONVENIENS OF ANY SUCH SUIT, ACTION OR PROCEEDING, AND GUARANTOR AND, BY ITS ACCEPTANCE HEREOF, LENDER EACH HEREBY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF ANY SUCH COURT IN ANY SUIT, ACTION OR PROCEEDING, AND GUARANTOR HEREBY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF ANY SUCH COURT IN ANY SUIT, ACTION OR PROCEEDING. GUARANTOR DOES HEREBY AGREE DESIGNATE AND APPOINT:

VORNADO REALTY TRUST
888 SEVENTH AVENUE, 44TH FLOOR
NEW YORK, NEW YORK 10106
ATTENTION: CORPORATION COUNSEL
FACSIMILE NO.: (212) 894-7996

AS ITS AUTHORIZED AGENT TO ACCEPT AND ACKNOWLEDGE ON ITS BEHALF SERVICE OF ANY AND ALL PROCESS WHICH MAY BE SERVED IN ANY SUCH SUIT, ACTION OR PROCEEDING IN ANY FEDERAL OR STATE COURT IN NEW YORK, NEW YORK, AND GUARANTOR AGREES THAT SERVICE OF PROCESS UPON SAID AGENT AT SAID ADDRESS AND WRITTEN NOTICE OF SAID SERVICE MAILED OR DELIVERED TO GUARANTOR IN THE MANNER PROVIDED HEREIN SHALL BE DEEMED IN EVERY RESPECT EFFECTIVE SERVICE OF PROCESS UPON GUARANTOR IN ANY SUCH SUIT, ACTION OR PROCEEDING IN THE STATE OF NEW YORK. GUARANTOR (I) SHALL GIVE PROMPT NOTICE TO LENDER OF ANY CHANGE IN THE ADDRESS FOR ITS AUTHORIZED AGENT SET FORTH HEREIN, (II) MAY AT ANY TIME AND FROM TIME TO TIME DESIGNATE A SUBSTITUTE AUTHORIZED AGENT WITH AN OFFICE IN NEW YORK, NEW YORK (WHICH SUBSTITUTE AGENT AND OFFICE SHALL BE DESIGNATED AS THE PERSON AND ADDRESS FOR SERVICE OF PROCESS AND WHICH SUBSTITUTE AGENT SHALL BE THE SAME AGENT DESIGNATED BY BORROWER UNDER THE LOAN AGREEMENT), AND (III) SHALL PROMPTLY DESIGNATE A SUBSTITUTE AUTHORIZED AGENT IF ITS AUTHORIZED AGENT CEASES TO HAVE AN OFFICE IN NEW YORK, NEW YORK. NOTHING CONTAINED HEREIN SHALL AFFECT THE RIGHT OF LENDER TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO

COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST GUARANTOR IN ANY OTHER JURISDICTION.

Section 6.4 Invalid Provisions If any provision of this Guaranty is held to be illegal, invalid, or unenforceable under present or future laws effective during the term of this Guaranty, such provision shall be fully severable and this Guaranty shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Guaranty, and the remaining provisions of this Guaranty shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Guaranty, unless such continued effectiveness of this Guaranty, as modified, would be contrary to the basic understandings and intentions of the parties as expressed herein.

Section 6.5 Amendments This Guaranty may be amended only by an instrument in writing executed by the party(ies) against whom such amendment is sought to be enforced.

Section 6.6 Parties Bound; Assignment This Guaranty shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors, permitted assigns, heirs and legal representatives. Lender shall have the right to assign or transfer its rights under this Guaranty in connection with any assignment of the Loan and the Loan Documents that is permitted under the Loan Documents. Any permitted assignee or transferee of Lender shall be entitled to all the benefits afforded to Lender under this Guaranty. Guarantor shall not have the right to assign or transfer its rights or obligations under this Guaranty without the prior written consent of Lender, and any attempted assignment without such consent shall be null and void.

Section 6.7 Headings Section headings are for convenience of reference only and shall in no way affect the interpretation of this Guaranty.

Section 6.8 Recitals The recitals and introductory paragraphs hereof are a part hereof, form a basis for this Guaranty and shall be considered *prima facie* evidence of the facts and documents referred to therein.

Section 6.9 Counterparts To facilitate execution, this Guaranty may be executed in as many counterparts as may be convenient or required. It shall not be necessary that the signature of, or on behalf of, each party, or that the signature of all persons required to bind any party, appear on each counterpart. All counterparts shall collectively constitute a single instrument. It shall not be necessary in making proof of this Guaranty to produce or account for more than a single counterpart containing the respective signatures of, or on behalf of, each of the parties hereto. Any signature page to any counterpart may be detached from such counterpart without impairing the legal effect of the signatures thereon and thereafter attached to another counterpart identical thereto except having attached to it additional signature pages.

Section 6.10 Rights and Remedies If Guarantor becomes liable for any indebtedness owing by Borrower to Lender, by endorsement or otherwise, other than under this Guaranty, such liability shall not be in any manner impaired or affected hereby and the rights of Lender hereunder shall be cumulative of any and all other rights that Lender may ever have against Guarantor. The exercise by Lender of any right or remedy hereunder or under any other

instrument, or at law or in equity, shall not preclude the concurrent or subsequent exercise of any other right or remedy.

Section 6.11 Entirety. THIS GUARANTY EMBODIES THE FINAL, ENTIRE AGREEMENT OF GUARANTOR AND LENDER WITH RESPECT TO GUARANTOR'S GUARANTY OF THE GUARANTEED OBLIGATIONS AND SUPERSEDES ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, RELATING TO THE SUBJECT MATTER HEREOF. THIS GUARANTY IS INTENDED BY GUARANTOR AND LENDER AS A FINAL AND COMPLETE EXPRESSION OF THE TERMS OF THE GUARANTY, AND NO COURSE OF DEALING BETWEEN GUARANTOR AND LENDER, NO COURSE OF PERFORMANCE, NO TRADE PRACTICES AND NO EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OR OTHER EXTRINSIC EVIDENCE OF ANY NATURE SHALL BE USED TO CONTRADICT, VARY, SUPPLEMENT OR MODIFY ANY TERM OF THIS GUARANTY. THERE ARE NO ORAL AGREEMENTS BETWEEN GUARANTOR AND LENDER.

Section 6.12 Waiver of Right To Trial By Jury. GUARANTOR AND, BY ITS ACCEPTANCE HEREOF, LENDER EACH HEREBY AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND WAIVES ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THIS GUARANTY, THE NOTE, THE MORTGAGE, THE LOAN AGREEMENT OR THE OTHER LOAN DOCUMENTS, OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY GUARANTOR AND LENDER AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. LENDER AND GUARANTOR ARE EACH HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY LENDER AND GUARANTOR, RESPECTIVELY.

Section 6.13 Intentionally Omitted.

Section 6.14 Reinstatement in Certain Circumstances. If at any time any payment of the principal of or interest under the Note or any other amount payable by Borrower under the Loan Documents is rescinded or must be otherwise restored or returned upon the insolvency, bankruptcy or reorganization of the Borrower or otherwise, Guarantor's obligations hereunder with respect to such payment shall be reinstated as though such payment had been due but not made at such time.

Section 6.15 Gender; Number; General Definitions. Unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, (a) words used in this Guaranty may be used interchangeably in the singular or plural form, (b) any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, (c) the word

“**Borrower**” shall mean “each Borrower and any subsequent owner or owners of the Property or any part thereof or interest therein”, (d) the word “**Lender**” shall mean “Lender and any subsequent holder of the Note”, (e) the word “**Note**” shall mean “the Note and any other evidence of indebtedness secured by the Loan Agreement”, (f) the word “**Property**” shall include any portion of the Property and any interest therein, and (g) the phrases “attorneys’ fees”, “legal fees” and “counsel fees” shall include any and all attorneys’, paralegal and law clerk fees and disbursements, including, but not limited to, fees and disbursements at the pre-trial, trial and appellate levels, incurred or paid by Lender in protecting its interest in the Property, the Leases and/or the Rents and/or in enforcing its rights hereunder.

Section 6.16 **Limitation of Liability.** By accepting this Guaranty, Lender hereby waives and releases all liability, and no liability shall be enforceable, against the separate constituent owners of Guarantor or the assets of such constituent owners in respect of Guarantor’s obligations under this Guaranty. The foregoing waiver and release are part of the consideration for the execution and delivery of this Guaranty.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF, Guarantor has executed this Guaranty as of the day and year first above written.

GUARANTOR:

ALEXANDER'S INC., a Delaware corporation

By: /s/ Alan J. Rice
Name: Alan J. Rice
Title: Secretary

ENVIRONMENTAL INDEMNITY AGREEMENT

THIS ENVIRONMENTAL INDEMNITY AGREEMENT (this "*Agreement*") is made as of the 28th day of February, 2014 by 731 OFFICE ONE LLC, a Delaware limited liability company, having its principal place of business at c/o Alexander's, Inc., 210 Route 4 East, Paramus, New Jersey 07652 ("*Borrower*" or "*Indemnitor*"), in favor of GERMAN AMERICAN CAPITAL CORPORATION, a Maryland corporation, having an address at 60 Wall Street, 10th Floor, New York, New York 10005 (collectively, together with its successors and assigns, "*Indemnitee*") and the other Indemnified Parties (defined below).

RECITALS

- A. Indemnitee is prepared to make a loan (the "*Loan*") to Borrower in the principal amount of \$300,000,000.00 pursuant to a Loan Agreement of even date herewith between Borrower and Indemnitee (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the "*Loan Agreement*"), and a certain Amended and Restated Mortgage, Assignment of Leases and Rents and Security Agreement of even date herewith from Borrower for the benefit of Indemnitee (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the "*Mortgage*"), encumbering certain real property (the "*Property*") more particularly described therein. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Loan Agreement.
- B. Indemnitor acknowledges receipt and approval of copies of the Loan Documents.
- C. Indemnitee is unwilling to make the Loan unless Indemnitor agrees to provide the indemnification, representations, warranties, covenants and other matters described in this Agreement for the benefit of the Indemnified Parties.
- D. Indemnitor is entering into this Agreement to induce Indemnitee to make the Loan.

AGREEMENT

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Indemnitor hereby represents, warrants, covenants and agrees for the benefit of the Indemnified Parties as follows:

1. Environmental Representations and Warranties. Except as otherwise disclosed by that/those report(s) listed on Schedule I attached hereto and made a part hereof in respect of the Property delivered to Indemnitee (referred to below as the "*Environmental Report(s)*"), a copy of which has been provided to Indemnitee, to Indemnitor's knowledge, (a) there are no Hazardous Substances (defined below) or underground storage tanks in, on or under the Property, except those that are (i) in compliance with all Environmental Laws (defined below) and with any required permits issued pursuant thereto or (ii) fully disclosed to Indemnitee in writing pursuant to the Environmental Report(s) to the extent known; (b) there are no past, present or threatened Releases (defined below) of Hazardous Substances in, on, under or from the Property which are in violation of Environmental Law and have not been remediated as required by Environmental Law; (c) there is no known threat of any Release of Hazardous
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Substances migrating to the Property; (d) there is no past or present material non-compliance with Environmental Laws, or with permits issued pursuant thereto, in connection with the Property which has not been remediated as required by Environmental Law; (e) Indemnitor does not know of, and has not received, any written notice from any Person (including, but not limited to, any Governmental Authority) relating to (i) Hazardous Substances or Remediation (defined below) thereof, (ii) the possible liability of any Person pursuant to any Environmental Law in connection with the Property, (iii) any other environmental conditions in connection with the Property or (iv) any actual or potential administrative or judicial proceedings in connection with any of the foregoing; (f) no unlawful Toxic Mold (as defined below) is present in the indoor air of the Property at concentrations exceeding ambient air levels and no visible Toxic Mold is present on any building materials or surfaces at the Property for which the NYC Guidelines (as defined below) recommends or requires removal thereof by remediation professionals, and Indemnitor is not aware of any conditions at the Property that are likely to result in the presence of Toxic Mold in the indoor air at concentrations that materially exceed ambient air levels or on building materials or surfaces that would require such removal; and (g) Indemnitor has truthfully and fully provided to Indemnitee, in writing, any and all information relating to environmental conditions in, on, under or from the Property that is known to Indemnitor and that is contained in the files and records of Indemnitor, including, but not limited, to any reports relating to Hazardous Substances in, on, under or from the Property and/or to the environmental condition of the Property.

2. Environmental Covenants. Indemnitor covenants and agrees that: (a) all uses and operations on or of the Property by Indemnitor shall be in compliance with all Environmental Laws and permits issued pursuant thereto, and Indemnitor shall use its commercially reasonable efforts to cause all other Persons to comply in their uses and operations at the Property with all Environmental Laws; (b) it shall not cause or permit any unlawful Releases of Hazardous Substances in, on, under or from the Property; (c) except as set forth in the Environmental Report, it shall not use or permit the use of and shall cause the Property to be free of Hazardous Substances (whether in, on or under the Property), except those that are (i) in compliance with all Environmental Laws and with any required permits issued pursuant thereto or (ii) in non-reportable or negligible amounts used in the ordinary course of business and in compliance with all Environmental Laws; (d) subject to Borrower's right to contest same in accordance with this Agreement, Indemnitor shall keep the Property free and clear of all liens and other encumbrances imposed pursuant to any Environmental Law, whether due to any act or omission of Indemnitor or any other Person (the "**Environmental Liens**"); (e) Indemnitor shall, at its sole cost and expense, fully and expeditiously cooperate in all activities pursuant to Paragraph 3 of this Agreement, including, but not limited to, providing all relevant information and making knowledgeable Persons available for interviews; (f) Indemnitor shall, at its sole cost and expense, perform any environmental site assessment or other investigation of environmental conditions with respect to the Property, pursuant to any reasonable written request of Indemnitee based upon Indemnitee's reasonable belief that the Property is not in compliance with Environmental Laws in any material respect or that a material environmental hazard exists with respect to the Property (which shall, where appropriate, include, but not be limited to, related sampling, testing and analysis of soil, water, air, building materials and other materials and substances whether solid, liquid or gas), and share with Indemnitee the reports and other results thereof, and Indemnitee and the other Indemnified Parties shall be entitled to rely on such reports and other results thereof; (g) Indemnitor shall, at its sole cost and expense, comply with all

reasonable written requests of Indemnitee to (i) effectuate Remediation of any condition as required by Environmental Laws (including, but not limited to, a Release of a Hazardous Substance) in, on, under or from the Property; and/or (ii) subject to Borrower's right to contest same in accordance with this Agreement, comply with any Environmental Law (including any directive from any Governmental Authority); (h) Indemnitor shall use commercially reasonable efforts to cause any tenant or other user of the Property to comply with Environmental Laws; (i) if at any time hereafter, it is determined that the Property contains paint containing more than 0.5% lead by dry weight ("**Lead Based Paint**"), Borrower shall at its sole cost and expense and within twenty (20) days thereafter have prepared an assessment report describing the location and condition of the Lead Based Paint (a "**Lead Based Paint Report**") prepared by an expert, and in form, scope and substance, acceptable to Indemnitee; (j) if prior to the date hereof, it was determined that the Property contains asbestos or asbestos-containing material ("**Asbestos**"), Borrower shall have prepared an assessment report describing the location and condition of the Asbestos (an "**Asbestos Report**"), (k) if it has been, or if at any time hereafter it is, determined that the Property contains Lead Based Paint or Asbestos, on or before thirty (30) days following (i) the date hereof, if such determination was made prior to the date hereof, or (ii) the date of such determination, if such determination is hereafter made, as applicable, Indemnitor shall, at its sole cost and expense, develop and implement, and thereafter diligently and continuously carry out (or cause to be developed and implemented and thereafter diligently and continually to be carried out), an operations, abatement and maintenance plan for the Lead Based Paint and/or Asbestos, as applicable, on the Property, which plan shall be prepared by an expert, and be in form, scope and substance, acceptable to Indemnitee (together with any Lead Based Paint Report and/or Asbestos Report, as applicable, the "**O&M Plan**"), and if an O&M Plan has been prepared prior to the date hereof, Indemnitor agrees to diligently and continually carry out (or cause to be carried out) the provisions thereof, it being understood and agreed that compliance with the O&M Plan shall require or be deemed to require, without limitation, the proper preparation and maintenance of all records, papers and forms required under the Environmental Laws; (l) in the event that any inspection or audit reveals the presence of Toxic Mold in the indoor air of the Property at concentrations materially exceeding ambient air levels or visible Toxic Mold on any building materials or surfaces at the Property for which the NYC Guidelines recommends or requires removal thereof by remediation professionals, Indemnitor shall immediately remediate the Toxic Mold and perform post-remedial clearance sampling in accordance with the "Guidelines on Assessment and Remediation of Fungi in Indoor Environments" prepared by the New York City Department of Health (the "**NYC Guidelines**"), following which abatement of the Toxic Mold, Indemnitor shall prepare and implement an Operations and Maintenance Plan for Toxic Mold and Moisture acceptable to Indemnitee and in accordance with the guidelines issued by the National Multi Housing Council; and (m) Indemnitor shall immediately notify Indemnitee in writing of (A) any unpermitted presence or Release or threatened Release of Hazardous Substances in, on, under, from or migrating towards the Property; (B) any noncompliance with any Environmental Laws related to the Property; (C) any actual or threatened Environmental Lien; (D) any required or proposed Remediation of environmental conditions relating to the Property; and/or (E) any written or oral notice or other communication of which Indemnitor becomes aware from any source whatsoever (including, but not limited to, any Governmental Authority) relating to Hazardous Substances in, on or under the Property or the Remediation thereof. Notwithstanding the foregoing, to the extent that any breach of Indemnitor's covenants contained in this [Paragraph 2](#) or [Paragraph 3](#) of this Agreement arises

due to the action or inaction of any Tenant (that is not an Affiliate of Indemnitor), Indemnitor shall be deemed not to have breached such covenants *provided* that Indemnitor promptly takes all commercially reasonable actions necessary to effectuate remediation of such breach.

3. Indemnified Rights/Cooperation and Access. In the event the Indemnified Parties have a reasonable belief that Hazardous Substances exist on the Property that do not, in the reasonable discretion of the Indemnified Parties, (a) endanger any tenants or other occupants of the Property or their guests or the general public, or (b) materially and adversely affect the value of the Property, upon reasonable notice from Indemnitor containing a description of the Hazardous Substances, Indemnitor shall, at Indemnitor's sole cost and expense, promptly cause an engineer or consultant selected by Indemnitor and reasonably satisfactory to the Indemnified Parties to conduct any environmental assessment or audit of the Hazardous Substances (the scope of which shall be determined in the reasonable discretion of the Indemnified Parties) and take any samples of soil, groundwater or other water, air or building materials or other invasive testing that is, in each case, reasonably requested by Indemnitor and related to the Hazardous Substances, and promptly deliver to Indemnitor the results of any such assessment, audit, sampling or other testing; *provided, however*, if such results are not delivered to Indemnitor within a reasonable period or if the Indemnified Parties has a reasonable belief that Hazardous Substances exist on the Property that, in the reasonable judgment of the Indemnified Parties, endanger any tenant or other occupant of the Property or their guests or the general public or may imminently materially and adversely affect the value of the Property, upon reasonable written notice to Indemnitor, the Indemnified Parties and any other Person designated by the Indemnified Parties, including, but not limited to, any receiver and/or any environmental consultant, shall have the right, but not the obligation, to enter upon the Property following written notice at all reasonable times (subject to the rights of Tenants under their Leases and in a manner that does not unreasonably interfere with the use or operation of the Property) to assess any and all aspects of the environmental condition of the Property and its use, including, but not limited to, conducting any environmental assessment or audit of the condition (the scope of which shall be determined in the reasonable discretion of the Indemnified Parties) and taking samples of soil, groundwater or other water, air or building materials related to the condition and reasonably conducting other invasive testing related to the condition. Indemnitor shall cooperate with and provide the Indemnified Parties and any such Person designated by the Indemnified Parties with access to the Property. Notwithstanding the foregoing, no entry shall be made by the Indemnified Parties or any Person designated by the Indemnified Parties so long as Indemnitor conducts appropriate environmental assessments of the Property and promptly and diligently takes such further action as is reasonably required to cure or mitigate any Release of any Hazardous Substances.

4. Indemnification. Indemnitor covenants and agrees, at its sole cost and expense, to protect, defend, indemnify, release and hold Indemnified Parties harmless from and against any and all Losses (defined below) imposed upon, or incurred by, or asserted against, any Indemnified Parties and directly or indirectly arising out of or in any way relating to any one or more of the following: (a) any unlawful or unpermitted presence of any Hazardous Substances in, on, above or under the Property; (b) any past, present or threatened Release of Hazardous Substances in, on, above, under or from the Property; (c) any activity by any of Indemnitor, any Person affiliated with Indemnitor and/or any tenant or other user of the Property (other than the Indemnified Parties) in connection with any actual, proposed or threatened use, treatment,

storage, holding, existence, disposition or other Release, generation, production, manufacturing, processing, refining, control, management, abatement, removal, handling, transfer or transportation to or from the Property of any Hazardous Substances at any time located in, under, on or above the Property; (d) any activity by any of Indemnitor, any Person affiliated with Indemnitor and/or any tenant or other user of the Property (other than the Indemnified Parties) in connection with any actual or required Remediation of any Hazardous Substances at any time located in, under, on or above the Property, including, but not limited to, any removal, remedial or corrective action; (e) any past, present or threatened non-compliance or violation of any Environmental Law (or of any permit issued pursuant to any Environmental Law) in connection with the Property or operations thereon, including, but not limited to, any failure by Indemnitor, any Person affiliated with Indemnitor and/or any tenant or other user of the Property (other than the Indemnified Parties) to comply with any order of any Governmental Authority in connection with any Environmental Laws; (f) the imposition, recording or filing or the threatened imposition, recording or filing of any Environmental Lien encumbering the Property; (g) any administrative processes or proceedings or judicial proceedings connected with any matter addressed in this Agreement; (h) any past, present or threatened injury to, destruction of or loss of natural resources in any way connected with the Property, including, but not limited to, costs to investigate and assess such injury, destruction or loss; (i) any acts of Indemnitor, any Person affiliated with Indemnitor and/or any tenant or other user of the Property in arranging for the disposal or treatment, or arranging with a transporter for transport for the disposal or treatment, of Hazardous Substances at any facility or incineration vessel containing such or similar Hazardous Substances; (j) any acts of Indemnitor, any Person affiliated with Indemnitor and/or any tenant or other user of the Property in accepting any Hazardous Substances for transport to disposal or treatment facilities, incineration vessels or sites from which there is a Release or a threatened Release of any Hazardous Substance which causes the incurrence of costs for Remediation; (k) any personal injury, wrongful death or property or other damage arising as a result of any of the foregoing; and (l) any misrepresentation or inaccuracy in any representation or warranty or material breach or failure to perform any covenants or other obligations pursuant to this Agreement.

Notwithstanding any other provision of this Agreement or any of the other Loan Documents, in no event shall Indemnitor be required to indemnify any Indemnified Party for (i) such Indemnified Party's or any other Indemnified Party's gross negligence or willful misconduct or (ii) the presence of Hazardous Materials on, in, under, about or from any Property which are Released during the time that any Indemnified Party or their respective successors or assigns (including a purchaser at a foreclosure sale), or their respective agents, takes possession of the Property (by foreclosure of the Mortgage or deed-in-lieu thereof). In addition, in no event shall Indemnitor have any liability hereunder (A) with respect to any specific acts taken by any receiver, conservator, trustee, or liquidator that is appointed by or on behalf of any Indemnified Party and is not caused by any Affiliate of Indemnitor; or (B) for the presence of Hazardous Materials on, in, under, about or from any Property which are Released after the date of a Transfer and Assumption, *provided that*, in connection with such Transfer and Assumption, a Replacement Guarantor provides a replacement environmental indemnity with respect to Releases occurring after the date of such Transfer and Assumption, in accordance with the Loan Agreement.

5. Right to Contest.

(a) After prior written notice to Indemnitee, Indemnitor may, at its sole cost and expense, contest any Environmental Liens or Environmental Laws, or perform any Remediation, *provided* that all of the following conditions are continuously satisfied at all times during the course of any such contest or Remediation:

- (i) no Event of Default (other than as related to the Hazardous Substances involved in such contest or Remediation) exists and is continuing under any of the Loan Documents;
- (ii) such proceeding shall be permitted under and be conducted in accordance with all applicable statutes, laws and ordinances;
- (iii) neither the Property nor any part thereof or interest therein will be in reasonable danger of being sold, forfeited, terminated, canceled or lost;
- (iv) Indemnitee (and Indemnitee's agents, officers, directors, servants, employees, contractors and shareholders) shall not be subject to any criminal or other penalties, fines, costs or expenses, by reason of such contest or Remediation or any delays in connection therewith, for which they are not indemnified by Indemnitor;
- (v) only if collateral is not required to be posted in connection with such proceeding, in the case of Liens in excess of the Contest Threshold (as defined in the Loan Agreement), to insure the payment of such Environmental Liens during the term of such contest, Borrower shall deliver to Lender either (A) cash, cash equivalents, a Letter of Credit, a guaranty from a Qualified Guarantor or other security as may be reasonably approved by Lender, in an amount equal to one hundred ten percent (110%) of the contested amount over the Contest Threshold or (B) a payment and performance bond in an amount equal to one hundred percent (100%) of the contested amount over the Contest Threshold from a surety acceptable to Lender in its reasonable discretion;
- (vi) such contest shall not be reasonably likely to result in a Material Adverse Effect; and
- (vii) a contest shall be diligently prosecuted until a final judgment is obtained or final settlement or release is affected.

(b) After ten (10) Business Days' notice to Borrower, Lender may pay over any such cash or other security held by Lender to the claimant entitled thereto at any time when, in the reasonable judgment of Lender, the entitlement of such claimant is established by the Governmental Authority authorized to make such determination or the Property (or any part thereof or interest therein) shall be in immediate danger of being sold, forfeited, terminated, cancelled or lost or there shall be any immediate danger of the Lien of the Mortgage being primed by any related Environmental Lien.

(c) Unless a contest has been instituted as permitted hereunder with respect to any Remediation, Indemnitor shall commence the Remediation in accordance with Environmental Laws. In any event, except in the case of an emergency, at least fifteen (15) Business Days prior to commencement of such Remediation, Indemnitor shall submit to Indemnitee reasonably detailed plans for such Remediation complying with Environmental Laws.

(d) If a contest has been instituted as permitted hereunder, Remediation shall be instituted promptly following an unsuccessful nonappealable completion of any contest and shall be diligently prosecuted until the Hazardous Substances involved in the contest are removed, relocated, encapsulated or disposed of as required by the Environmental Laws.

(e) Indemnitor shall notify Indemnitee within ten (10) days after commencement of such contest or Remediation and shall render to Indemnitee a written monthly report detailing the progress thereof including such information as Indemnitee shall reasonably request.

(f) So long as all of such conditions are continuously satisfied, Indemnitor may proceed with such contest; *provided, however*, Indemnitor shall not enter into any settlement agreement binding upon Indemnitee without its prior consent, which consent shall not be unreasonably withheld, conditioned or delayed. Any such settlement effected without Indemnitee's prior consent shall not be binding on Indemnitee.

6. Duty to Defend and Attorneys' and Other Fees and Expenses. Upon written request by any Indemnified Party, Indemnitor shall defend such Indemnified Party(ies) against any claim for which indemnification is required hereunder (if requested by any Indemnified Party, in the name of the Indemnified Party), by attorneys and other professionals reasonably approved by the Indemnified Parties. Indemnitor shall have the right to negotiate and enter into and/or consent to any settlement, subject to the prior approval of the Indemnified Party, which approval shall not be unreasonably withheld, conditioned or delayed, *provided* that such approval is not required in connection with any settlement which includes any unconditional release of the Indemnified Party involved in such action and all related actions for all liability for which such parties are seeking indemnification and there is no admission of wrongdoing on the part of the Indemnified Party. Notwithstanding the foregoing, any Indemnified Party may engage their own attorneys and other professionals to defend or assist them in the event any such Indemnified Party reasonably determines that the defense as conducted by Indemnitor is not proceeding or being conducted in a satisfactory manner, that there are any legal defenses available to it that are not being addressed or that a conflict of interest exists between any of the parties represented by Indemnitor's counsel in such action or proceeding, and, at the option of Indemnified Party, their attorneys shall thereafter control the resolution of such claim or proceeding; *provided, however*, (x) that so long as no Event of Default exists and is continuing, Indemnified Party shall first provide Indemnitor with fifteen (15) Business Days' prior written notice of any determination pursuant to this Paragraph 6 (unless any Indemnified Party determines, in its sole discretion, that its interest may be adversely affected prior to the expiration of such notice period, in which case, Indemnified Party may take immediate action and send written notice to Indemnitor thereafter); and (y) Indemnified Party shall not enter into any settlement of such a proceeding without the consent of Indemnitor, which consent shall not be unreasonably withheld. Any Indemnified

Party shall have the right to negotiate and enter into and/or consent to any settlement, subject to the prior approval of Indemnitator, which approval shall not be unreasonably withheld, conditioned or delayed.

7. Definitions. As used in this Agreement, the following terms shall have the following meanings:

The term "**Environmental Laws**" means any present and future federal, state and local laws, statutes, ordinances, rules, regulations and the like, as well as common law, relating to protection of human health or the environment, relating to Hazardous Substances, relating to liability for or costs of other actual or threatened danger to human health relating to Hazardous Substances or the environment. The term "**Environmental Law**" includes, but is not limited to, the following statutes, as amended, any successor thereto, and any regulations promulgated pursuant thereto, and any state or local statutes, ordinances, rules, regulations and the like addressing similar issues: the Comprehensive Environmental Response, Compensation and Liability Act; the Emergency Planning and Community Right-to-Know Act; the Hazardous Substances Transportation Act; the Resource Conservation and Recovery Act (including but not limited to Subtitle I relating to underground storage tanks); the Solid Waste Disposal Act; the Clean Water Act; the Clean Air Act; the Toxic Substances Control Act; the Safe Drinking Water Act; those portions of the Occupational Safety and Health Act relating to Hazardous Substances; the Federal Water Pollution Control Act; the Federal Insecticide, Fungicide and Rodenticide Act; the Endangered Species Act; the National Environmental Policy Act; and the River and Harbors Appropriation Act. The term "**Environmental Law**" also includes, but is not limited to, any present and future federal, state and local laws, statutes ordinances, rules, regulations and the like, as well as common law as it relates to Hazardous Substances: conditioning transfer of property upon a negative declaration or other approval of a Governmental Authority of the environmental condition of the Property; requiring notification or disclosure of Releases of Hazardous Substances or other environmental condition of the Property to any Governmental Authority or other Person, whether or not in connection with transfer of title to or interest in property; imposing conditions or requirements in connection with permits or other authorization for lawful activity; relating to nuisance, trespass or other causes of action related to the Property; and relating to wrongful death, personal injury, or property or other damage in connection with any physical condition or use of the Property.

The term "**Hazardous Substances**" means any and all substances (whether solid, liquid or gas) defined, listed, or otherwise classified as pollutants, hazardous wastes, hazardous substances, hazardous materials, extremely hazardous wastes, or words of similar meaning or regulatory effect under any present or future Environmental Laws or that may have a negative impact on human health or the environment, including but not limited to petroleum and petroleum products, asbestos and asbestos-containing materials, polychlorinated biphenyls, lead, radon, radioactive materials, flammables and explosives, mold, mycotoxins, microbial matter and air borne pathogens (naturally occurring or otherwise). Notwithstanding anything to the contrary contained herein, the term "**Hazardous Substances**" will not include substances which otherwise would be included in such definition but which are of kinds and in amounts ordinarily and customarily used or stored in similar properties, including, without limitation substances used for the purposes of cleaning, maintenance, or operations, substances typically used in construction, and typical products used in properties like the Property, and which are otherwise

in compliance with all Environmental Laws. Furthermore, the term "Hazardous Substances" will not include substances which otherwise would be included in such definition but which are of kinds and in amounts ordinarily used in the construction, operation, maintenance and repair of similar buildings or customarily stocked and sold by tenants operating retail businesses of the types operated by the Tenants and which are otherwise in compliance with all Environmental Laws.

The term "**Indemnified Parties**" means Indemnitee, any Person who is or will have been involved in the origination of the Loan, any Person who is or will have been involved with the servicing of the Loan, any Person in whose name the encumbrance created by the Mortgage is or will have been recorded, Persons who may hold or acquire or will have held a full or partial interest in the Loan (including custodians, trustees and other fiduciaries who hold or have held a full or partial interest in the Loan for the benefit of third parties) as well as the respective directors, officers, shareholders, partners, members, employees, agents, servants, representatives, contractors, subcontractors, affiliates, subsidiaries, participants, successors and assigns of any and all of the foregoing (including but not limited to any other Person who holds or acquires or will have held a participation or other full or partial interest in the Loan or the Property, whether during the term of the Loan or, subject to the provisions of Paragraph 4 hereof, as a part of or following a foreclosure of the Loan and including, but not limited to, any successors by merger, consolidation or acquisition of all or a substantial portion of Indemnitee's assets and business) (subject, however, to any provision in any Loan Document restricting ownership of interests in the Loan).

The term "**Legal Action**" means any claim, suit or proceeding, whether administrative or judicial in nature.

The term "**Losses**" means any losses, damages, costs, fees, expenses, claims, suits, judgments, awards, liabilities (including but not limited to strict liabilities), obligations, debts, fines, penalties, charges, costs of required Remediation, amounts paid in settlement, litigation costs, reasonable attorneys' fees and disbursements, engineers' fees, environmental consultants' fees, and investigation costs (including but not limited to costs for sampling, testing and analysis of soil, water, air, building materials, and other materials and substances whether solid, liquid or gas), of whatever kind or nature, and whether or not incurred in connection with any judicial or administrative proceedings, actions, claims, suits, judgments or awards.

The term "**Release**" with respect to any Hazardous Substance means any release, deposit, discharge, emission, leaking, leaching, spilling, seeping, migrating, injecting, pumping, pouring, emptying, escaping, dumping, disposing or other movement of Hazardous Substances.

The term "**Remediation**" includes, but is not limited to, any response, remedial, removal, or corrective action; any activity to clean up, detoxify, decontaminate, contain or otherwise remediate any Hazardous Substance; any actions to prevent, cure or mitigate any Release of any Hazardous Substance (including, with respect to Toxic Mold, providing any moisture control systems at the Property); any action to comply with any Environmental Laws or with any permits issued pursuant thereto; any inspection, investigation, study, monitoring, assessment, audit, sampling and testing or laboratory or other analysis or evaluation relating to any Hazardous Substances or to anything referred to herein.

The term "**Toxic Mold**" means fungi that reproduces through the release of spores or the splitting of cells or other means that may pose a risk to human health or the environment or negatively affect the value of the Property, including, but not limited to, mold, mildew, fungi, fungal spores, fragments and metabolites such as mycotoxins and microbial volatile organic compounds.

8. **Unimpaired Liability.** The liability of Indemnitor under this Agreement shall in no way be limited or impaired by, and Indemnitor hereby consents to and agrees to be bound by, any amendment or modification of the provisions of the Note, the Loan Agreement, the Mortgage or any other Loan Document to or with Indemnitee by Indemnitor or any Person who succeeds Indemnitor or any Person as owner of the Property. In addition, the liability of Indemnitor under this Agreement shall in no way be limited or impaired by (i) any extensions of time for performance required by the Note, the Loan Agreement, the Mortgage or any of the other Loan Documents, (ii) any sale or transfer of all or part of the Property other than to any Indemnitee or affiliate, (iii) except as provided herein, any exculpatory provision in the Note, the Loan Agreement, the Mortgage, or any of the other Loan Documents limiting Indemnitee's recourse to the Property or to any other security for the Note, or limiting Indemnitee's rights to a deficiency judgment against Indemnitor, (iv) the accuracy or inaccuracy of the representations and warranties made by Indemnitor under the Note, the Loan Agreement, the Mortgage or any of the other Loan Documents or herein, (v) the release of Indemnitor or any other Person from performance or observance of any of the agreements, covenants, terms or conditions contained in any of the other Loan Documents by operation of law, Indemnitee's voluntary act, or otherwise, (vi) the release or substitution in whole or in part of any security for the Note, or (vii) Indemnitee's failure to record the Mortgage or file any UCC financing statements (or Indemnitee's improper recording or filing of any thereof) or to otherwise perfect, protect, secure or insure any security interest or lien given as security for the Note; and, in any such case, whether with or without notice to Indemnitor and with or without consideration.

9. **Enforcement.** The Indemnified Parties may enforce the obligations of Indemnitor without first resorting to or exhausting any security or collateral or without first having recourse to the Note, the Loan Agreement, the Mortgage or any other Loan Documents or any of the Property, through foreclosure proceedings or otherwise, *provided, however*, that nothing herein shall inhibit or prevent Indemnitee from suing on the Note, foreclosing or exercising any power of sale under the Mortgage or exercising any other rights and remedies thereunder. This Agreement is not collateral or security for the Obligations of Borrower pursuant to the Loan Agreement, unless Indemnitee expressly elects in writing to make this Agreement additional collateral or security for such Obligations of Borrower pursuant to the Loan Agreement, which Indemnitee is entitled to do in its sole and absolute discretion. It is not necessary for an Event of Default to have occurred pursuant to and as defined in the Mortgage or the Loan Agreement for Indemnified Parties to exercise their rights pursuant to this Agreement. Notwithstanding any provision of the Loan Agreement to the contrary, the obligations of Indemnitor pursuant to this Agreement are exceptions to any non-recourse or exculpation provision of the Loan Agreement; and Indemnitor expressly acknowledges and agrees that it is fully and personally liable for such obligations, and such liability is not limited to the original or amortized principal balance of the Loan or the value of the Property.

10. Survival. The obligations and liabilities of Indemnitee under this Agreement shall, unless expressly provided otherwise in this Agreement, fully survive any termination, satisfaction, assignment, entry of a judgment of foreclosure, exercise of any power of sale, or delivery of a deed in lieu of foreclosure of the Mortgage. Notwithstanding the foregoing, Indemnitee's obligations and liabilities under this Agreement shall be deemed satisfied in full and fully discharged on the earlier of two (2) years following the date (a) on which Indemnitee delivers to Indemnitor a Phase I Environmental Report with respect to the Property, the form of which, and the consultant preparing such report who, have each been reasonably approved by Indemnitor, and (b) which is the earliest to occur of (1) the date of the repayment in full of the Debt and (2) the date on which Indemnitor (or its nominee or designee) or a purchaser at a foreclosure sale takes title to the Property, whether through a foreclosure sale, a deed in lieu thereof, or otherwise pursuant to an exercise of remedies under the Loan Documents; *provided, however*, that Indemnitor shall remain liable to the extent otherwise provided hereunder in respect of any Hazardous Substances located in or on the Property or violations of Environmental Law or required Remediation at the Property, as reflected in such Phase I Environmental Report; and *provided, further*, however, that the indemnification obligations of Indemnitor under this Agreement shall nonetheless survive as to any Legal Actions that are then pending or subject to further appeal as of the second anniversary of such repayment in full of the Debt or the taking of title (as applicable).

11. Interest. Any amounts payable to any Indemnified Parties under this Agreement shall become immediately due and payable on demand and, if not paid within ten (10) Business Days of such demand therefor, shall bear interest at the Default Rate.

12. Waivers.

(a) Except as otherwise provided in the Loan Agreement, Indemnitor hereby waives and relinquishes (i) any right or claim of right to cause a marshaling of Indemnitor's assets or to cause Indemnitor or any other Indemnified Party to proceed against any of the security for the Loan before proceeding under this Agreement against Indemnitor; (ii) all rights and remedies accorded by applicable law to indemnitors or guarantors generally, including any rights of subrogation which Indemnitor may have, *provided* that the indemnity provided for hereunder shall neither be contingent upon the existence of any such rights of subrogation nor subject to any claims or defenses whatsoever which may be asserted in connection with the enforcement or attempted enforcement of such subrogation rights, including, without limitation, any claim that such subrogation rights were abrogated by any acts of Indemnitor or any other Indemnified Party; (iii) the right to assert a counterclaim, except when such counterclaim is against a third party, other than a mandatory or compulsory counterclaim, in any action or proceeding brought against or by Indemnitor or any other Indemnified Party; (iv) notice of acceptance hereof and of any action taken or omitted in reliance hereon; (v) presentment for payment, demand of payment, protest or notice of nonpayment or failure to perform or observe, or other proof, or notice or demand; and (vi) all homestead exemption rights against the obligations hereunder and the benefits of any statutes of limitations or repose. Notwithstanding anything to the contrary contained herein, Indemnitor hereby agrees to postpone the exercise of any rights of subrogation with respect to any collateral securing the Obligations until the Debt shall have been paid in full or its obligations under this Agreement have earlier terminated.

(b) INDEMNITOR, INDEMNITEE AND EACH INDEMNIFIED PARTY EACH HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER IN CONTRACT, TORT OR OTHERWISE, RELATING DIRECTLY OR INDIRECTLY TO THE LOAN EVIDENCED BY THE NOTE, THE APPLICATION FOR THE LOAN EVIDENCED BY THE NOTE, THE MORTGAGE, THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS OR ANY ACTS OR OMISSIONS OF ANY PARTY OR PARTIES IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY INDEMNITOR, INDEMNITEE AND EACH INDEMNIFIED PARTY AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. THE INDEMNIFIED PARTIES ARE HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY INDEMNITOR.

13. Subrogation. Indemnitor hereby agrees that it shall take any and all reasonable actions, including the institution of legal action against third parties, necessary or appropriate to obtain reimbursement, payment or compensation from such Persons responsible for the presence of any Hazardous Substances at, in, on, under or near the Property or otherwise obligated by law to bear the cost. The Indemnified Parties shall be and hereby are subrogated to all of Indemnitor's rights now or hereafter in such claims.

14. Indemnitors' Representations and Warranties. Indemnitor represents and warrants that:

(a) it has the full power and authority to execute and deliver this Agreement and to perform its obligations hereunder; the execution, delivery and performance of this Agreement by such Indemnitor has been duly and validly authorized; and all requisite action has been taken by such Indemnitor to make this Agreement valid and binding upon such Indemnitor, enforceable in accordance with its terms;

(b) its execution of, and compliance with, this Agreement will not result in the breach of any term or provision of the charter, by-laws, partnership, operating or trust agreement or other governing instrument of such Indemnitor or result in the breach of any term or provision of, or conflict with or constitute a material default under, or result in the acceleration of any obligation under, any agreement, indenture or loan or credit agreement or other instrument to which such Indemnitor or the Property is subject, or result in the violation of any law, rule, regulation, order, judgment or decree to which such Indemnitor or the Property is subject;

(c) to the best of such Indemnitor's knowledge, there is no action, suit, proceeding or investigation pending or threatened against it which, either in any one instance or in the aggregate, which would be likely to impair materially the ability of such Indemnitor to perform under the terms of this Agreement;

(d) it does not believe, nor does it have any reason or cause to believe, that it cannot perform each and every covenant contained in this Agreement;

(e) to the best of such Indemnitor's knowledge, no approval, authorization, order, license or consent of, or registration or filing with, any Governmental Authority or other Person, and no approval, authorization or consent of any other Person, is required in connection with this Agreement; and

(f) this Agreement constitutes a valid, legal and binding obligation of such Indemnitor, enforceable against it in accordance with the terms hereof, subject to bankruptcy, insolvency and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

15. No Waiver. No delay by any Indemnified Party in exercising any right, power or privilege under this Agreement shall operate as a waiver of any such privilege, power or right.

16. Notice of Legal Actions. Each party hereto shall, within five (5) business days of receipt thereof, give written notice to the other party hereto of (i) any notice, advice or other communication from any Governmental Authority or any source whatsoever with respect to Hazardous Substances on, from or affecting the Property, and (ii) any legal action brought against such party or related to the Property, with respect to which Indemnitor may have liability under this Agreement. Such notice shall comply with the provisions of Paragraph 17 hereof.

17. Notices. All notices or other written communications hereunder shall be made in accordance with Section 10.6 of the Loan Agreement.

18. Duplicate Originals; Counterparts. This Agreement may be executed in any number of duplicate originals and each duplicate original shall be deemed to be an original. This Agreement may be executed in several counterparts, each of which counterparts shall be deemed an original instrument and all of which together shall constitute a single Agreement. The failure of any party hereto to execute this Agreement, or any counterpart hereof, shall not relieve the other signatories from their obligations hereunder.

19. No Oral Change. This Agreement, and any provisions hereof, may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Indemnitor or any Indemnified Party, but only by an agreement in writing signed by the party or parties against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

20. Headings, Etc. The headings and captions of various paragraphs of this Agreement are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

21. Number and Gender/Successors and Assigns. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the Person or Persons referred to may require. Without limiting the effect of specific references in any provision of this Agreement, the term "**Indemnitor**" shall be deemed to refer to each and every Person comprising an Indemnitor from time to time, as the sense of a particular provision may require, and to include the heirs, executors, administrators, legal representatives, successors and permitted assigns of Indemnitor, all of whom shall be bound by the provisions of this Agreement. Each reference herein to Indemnitor shall be deemed to include its successors

and permitted assigns. This Agreement shall inure to the benefit of the Indemnified Parties and their respective successors, permitted assigns, heirs and legal representatives forever. The Indemnified Parties shall have the right to assign or transfer their rights under this Agreement in connection with any assignment of the Loan and the Loan Documents in accordance with the terms of the Loan Documents. Any permitted assignee or transferee of Indemnitee (and the other Indemnified Parties) shall be entitled to all the benefits afforded to Indemnitee (and the other Indemnified Parties) under this Agreement. Except as otherwise provided in the Loan Agreement, no Indemnitor shall have the right to assign or transfer its rights or obligations under this Agreement without the prior written consent of Indemnitee and any attempted assignment without such consent shall be null and void.

22. Release of Liability. Any one or more parties liable upon or in respect of this Agreement may be released without affecting the liability of any party not so released.

23. Rights Cumulative. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies which Indemnitee has under the Note, the Mortgage, the Loan Agreement or the other Loan Documents or would otherwise have at law or in equity.

24. Inapplicable Provisions. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the term of this Agreement, such provision shall be fully severable and this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement, and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement, unless such continued effectiveness of this Agreement, as modified, would be contrary to the basic understandings and intentions of the parties as expressed herein.

25. Governing Law; Jurisdiction; Service of Process.

A. **THIS AGREEMENT WAS NEGOTIATED IN THE STATE OF NEW YORK, AND MADE BY INDEMNITOR AND ACCEPTED BY INDEMNITEE IN THE STATE OF NEW YORK, AND THE PROCEEDS OF THE NOTE SECURED HEREBY WERE DISBURSED FROM THE STATE OF NEW YORK, WHICH STATE THE PARTIES AGREE HAS A SUBSTANTIAL RELATIONSHIP TO THE PARTIES AND TO THE UNDERLYING TRANSACTION EMBODIED HEREBY, AND IN ALL RESPECTS, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS AGREEMENT AND THE OBLIGATIONS ARISING HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED IN SUCH STATE (WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS) AND ANY APPLICABLE LAW OF THE UNITED STATES OF AMERICA. TO THE FULLEST EXTENT PERMITTED BY LAW, INDEMNITOR AND INDEMNITEE EACH HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY CLAIM TO ASSERT THAT THE LAW OF ANY OTHER JURISDICTION GOVERNS THIS AGREEMENT AND THE NOTE, AND THIS AGREEMENT AND THE NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF**

B. ANY LEGAL SUIT, ACTION OR PROCEEDING AGAINST INDEMNITEE OR INDEMNITOR ARISING OUT OF OR RELATING TO THIS AGREEMENT MAY BE INSTITUTED IN ANY FEDERAL OR STATE COURT IN THE CITY OF NEW YORK, COUNTY OF NEW YORK, PURSUANT TO SECTION 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW, AND INDEMNITOR AND INDEMNITEE EACH WAIVES ANY OBJECTIONS WHICH IT MAY NOW OR HEREAFTER HAVE BASED ON VENUE AND/OR FORUM NON CONVENIENS OF ANY SUCH SUIT, ACTION OR PROCEEDING, AND INDEMNITOR AND INDEMNITEE EACH HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT IN ANY SUIT, ACTION OR PROCEEDING AND INDEMNITOR HEREBY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF ANY SUCH COURT IN ANY SUIT, ACTION OR PROCEEDING. INDEMNITOR DOES HEREBY AGREE DESIGNATE AND APPOINT:

VORNADO REALTY TRUST
888 SEVENTH AVENUE, 44TH FLOOR
NEW YORK, NEW YORK 10106
ATTENTION: CORPORATION COUNSEL
FACSIMILE NO.: (212) 894-7996

AS ITS AUTHORIZED AGENT TO ACCEPT AND ACKNOWLEDGE ON ITS BEHALF SERVICE OF ANY AND ALL PROCESS WHICH MAY BE SERVED IN ANY SUCH SUIT, ACTION OR PROCEEDING IN ANY FEDERAL OR STATE COURT IN NEW YORK, NEW YORK, AND INDEMNITOR AGREES THAT SERVICE OF PROCESS UPON SAID AGENT AT SAID ADDRESS AND WRITTEN NOTICE OF SAID SERVICE MAILED OR DELIVERED TO INDEMNITOR IN THE MANNER PROVIDED HEREIN SHALL BE DEEMED IN EVERY RESPECT EFFECTIVE SERVICE OF PROCESS UPON INDEMNITOR IN ANY SUCH SUIT, ACTION OR PROCEEDING IN THE STATE OF NEW YORK. INDEMNITOR (I) SHALL GIVE PROMPT NOTICE TO LENDER OF ANY CHANGED ADDRESS OF ITS AUTHORIZED AGENT HEREUNDER, (II) MAY AT ANY TIME AND FROM TIME TO TIME DESIGNATE A SUBSTITUTE AUTHORIZED AGENT WITH AN OFFICE IN NEW YORK, NEW YORK (WHICH SUBSTITUTE AGENT AND OFFICE SHALL BE DESIGNATED AS THE PERSON AND ADDRESS FOR SERVICE OF PROCESS), AND (III) SHALL PROMPTLY DESIGNATE A SUBSTITUTE IF ITS AUTHORIZED AGENT CEASES TO HAVE AN OFFICE IN NEW YORK, NEW YORK OR IS DISSOLVED WITHOUT LEAVING A SUCCESSOR. NOTHING CONTAINED HEREIN SHALL AFFECT THE RIGHT OF LENDER TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST INDEMNITOR IN ANY OTHER JURISDICTION.

26. Miscellaneous.

(a) Wherever pursuant to this Agreement (i) Indemnitee (or any other Indemnified Party) exercises any right given to it to approve or disapprove any matter, (ii) any arrangement or term is to be satisfactory to Indemnitee (or any other Indemnified Party), or (iii) any other decision or determination is to be made by Indemnitee (or any other Indemnified Party), then, except as expressly provided otherwise in this Agreement, the decision of Indemnitee (or such other Indemnified Party) to approve or disapprove such matter, all decisions that arrangements or terms are satisfactory or not satisfactory to Indemnitee (or such other Indemnified Party) and all other decisions and determinations made by Indemnitee (or such other Indemnified Party), shall be in the sole and absolute discretion of Indemnitee (or such other Indemnified Party) and shall be final and conclusive, except as may be otherwise expressly and specifically provided herein.

(b) Wherever pursuant to this Agreement it is provided that Indemnitor pay any costs and expenses, such costs and expenses shall mean the reasonable, out-of-pocket, third party costs and expenses actually incurred by Indemnitee (including, but not limited to, reasonable external legal fees and disbursements).

27. Joint and Several Liability. If more than one Person has executed this Agreement as "*Indemnitor*", the representations, covenants, warranties and obligations of all such Persons hereunder shall be joint and several.

28. Recitals. The recitals hereof are a part hereof, form a basis for this Agreement and shall be considered *prima facie* evidence of the facts and documents referred to therein.

29. Exculpation. The provisions of Section 10.1 of the Loan Agreement regarding exculpation are hereby incorporated by reference with the full force and effect as though such provisions were fully set forth herein.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF, this Agreement has been executed by Indemnitor and is effective as of the day and year first above written.

INDEMNITOR:

731 OFFICE ONE LLC, a Delaware limited liability company

By: 731 OFFICE ONE HOLDING LLC, a Delaware limited liability company, its sole member

By: ALEXANDER'S, INC., a Delaware corporation, its sole member

By: /s/ Alan J. Rice
Name: Alan J. Rice
Title: Secretary

SCHEDULE I

LIST OF ENVIRONMENTAL REPORTS

1. Phase I Environmental Site Assessment by IVI Assessment Services, Inc., dated as of February 10, 2014, Project No. PC40108256

TERMINATION AGREEMENT

By this Termination Agreement, dated as of February 28, 2014 (this "Agreement"), each of the parties hereto hereby agree that 731 Office One LLC, a Delaware limited liability company ("Office Owner") will be removed as a party to that certain 59th Street Real Estate Retention Agreement, dated as of July 3, 2002, by and among Vornado Realty L.P., 731 Residential LLC and 731 Commercial LLC, as the same was amended by that certain Letter Agreement Relating to 59th Street Real Estate Retention Agreement, dated as of July 6, 2005, by and among 731 Commercial LLC, 731 Retail One LLC and Vornado Realty L.P. and that certain Amendment to 59th Street Real Estate Retention Agreement, dated as of January 1, 2007, by and among 731 Retail One LLC, 731 Restaurant LLC, Office Owner, 731 Office Two LLC and Vornado Realty L.P. (as so amended, the "Retention Agreement") and that the Retention Agreement shall be deemed terminated solely with respect to Office Owner and Office Owner shall have no further obligations under the Retention Agreement, provided that Office Owner and Alexander's Management LLC, a New York limited liability company ("ALX Management"), enter into the Real Estate Retention Agreement attached hereto as Exhibit A and ALX Management and Vornado Realty L.P. enter into the Real Estate Sub-Retention Agreement attached hereto as Exhibit B.

This Agreement may be executed in original counterparts. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has executed this Agreement as of the day and year first above written.

731 OFFICE ONE LLC, a Delaware limited liability company

By: 731 OFFICE ONE HOLDING LLC, a Delaware limited liability company, its sole member

By: ALEXANDER'S INC., a Delaware corporation, its sole member

By: /s/ Alan Rice
Name: Alan Rice
Title: Secretary

ALEXANDER'S MANAGEMENT LLC, a New York limited liability company

By: ALEXANDER'S INC., a Delaware corporation, its sole member

By: /s/ Alan Rice
Name: Alan Rice
Title: Secretary

VORNADO REALTY L.P., a Delaware limited partnership

By: VORNADO REALTY TRUST, a Maryland real estate investment trust, its general partner

By: /s/ Alan Rice
Name: Alan Rice
Title: Senior Vice President

[Signature Pages Continued on following page]

731 OFFICE TWO LLC, a Delaware limited liability company

By: 731 OFFICE TWO HOLDING LLC, a Delaware limited liability company, its sole member

By: ALEXANDER'S INC., a Delaware corporation, its sole member

By: /s/ Alan Rice
Name: Alan Rice
Title: Secretary

731 RESIDENTIAL LLC, a Delaware limited liability company

By: 731 RESIDENTIAL HOLDING LLC, a Delaware limited liability company, its sole member

By: ALEXANDER'S INC., a Delaware corporation, its sole member

By: /s/ Alan Rice
Name: Alan Rice
Title: Secretary

731 COMMERCIAL LLC, a Delaware limited liability company

By: 731 COMMERCIAL HOLDING LLC, a Delaware limited liability company, its sole member

By: ALEXANDER'S INC., a Delaware corporation, its sole member

By: /s/ Alan Rice
Name: Alan Rice
Title: Secretary

[Signature Pages Continued on following page]

731 RETAIL ONE LLC, a Delaware limited liability company

By: 731 COMMERCIAL LLC, a Delaware limited liability company, its sole member

By: 731 COMMERCIAL HOLDING LLC, a Delaware limited liability company, its sole member

By: ALEXANDER'S INC., a Delaware corporation, its sole member

By: /s/ Alan Rice
Name: Alan Rice
Title: Secretary

731 RESTAURANT LLC, a Delaware limited liability company

By: /s/ Alan Rice
Name: Alan Rice
Title: Authorized Signatory

EXHIBIT A

Real Estate Retention Agreement

A - 1

**REAL ESTATE
RETENTION AGREEMENT**

By this Real Estate Retention Agreement, dated as of February 28, 2014 (this "Retention Agreement"), ALEXANDER'S MANAGEMENT LLC, a New York limited liability company having an office c/o Alexander's, Inc., 210 Route 4 East, Paramus, New Jersey 07652 ("Agent") agrees to act as special real estate consultant to 731 OFFICE ONE LLC, a Delaware limited liability company having an office c/o Alexander's, Inc., 210 Route 4 East, Paramus, New Jersey 07652 ("Owner"), with respect to the leasing and disposition of Owner's real property, as well as the sale of Owner's right, title and interest in the fixtures and improvements thereat (which is disposed of with the real property), including, without limitation, the office condominium units more specifically described in the attached Schedule A (the "Asset(s)"), and the compensation Agent expects to receive.

WHEREAS, Owner was party to that certain 59th Street Real Estate Retention Agreement, dated as of July 3, 2002, by and among Vornado Realty L.P., 731 Residential LLC and 731 Commercial LLC, which is the predecessor owner of the Assets, as the same was amended by that certain Letter Agreement Relating to 59th Street Real Estate Retention Agreement, dated as of July 6, 2005, by and among 731 Commercial LLC, 731 Retail One LLC and Vornado Realty L.P. and that certain Amendment to 59th Street Real Estate Retention Agreement, dated as of January 1, 2007, by and among 731 Retail One LLC, 731 Restaurant LLC, Owner, 731 Office Two LLC and Vornado Realty L.P. (as so amended, the "Original Agreement"); and

WHEREAS, pursuant to that certain Termination Agreement, dated as of the date hereof, each of the parties to the Original Agreement agreed that the Original Agreement would be terminated with respect to Owner and that Owner would no longer have any obligations under the Original Agreement, provided that Owner and Agent enter into this Retention Agreement and Agent and Vornado Realty L.P. enter into that certain Sub-Retention Agreement being entered into concurrently herewith.

NOW, THEREFORE, the parties hereto hereby agree as follows:

I. SUMMARY OF MARKETING SERVICES

Agent will provide those services that are reasonably necessary to market the Assets, as contemplated by this Retention Agreement. Such services may include, but are not necessarily limited to, those generally described below:

1. Inspecting the Assets to determine their physical condition.
 2. Creating a marketing program which may include newspapers, magazine or journal advertising, flyer solicitation and placement of signs, as appropriate. Preparing and disseminating all such marketing materials, all of which shall be approved by Owner and shall be at the sole cost and expense of Owner.
 3. Communicating with parties who have expressed an interest in the Assets and responding and providing information to, negotiating with, and soliciting offers from,
-

prospective purchasers, including landlords, and making recommendations to Owner as to the advisability of accepting particular offers and settlements.

4. Arranging for physical inspections of the Assets by prospective purchasers.

5. When requested, meeting periodically with Owner, their accountants and attorneys, in connection with the status of Owner's efforts and recommending to Owner and its counsel the proper method of handling the particular problems encountered with respect to the disposition of the Assets.

6. If required, appearing in Court during the term of this retention, to testify or to consult with Owners in connection with the marketing or disposition of the Assets.

II. **BASIS OF RETENTION AND COMPENSATION**

Agent will actively and diligently discharge its obligations under this Agreement. Agent shall be retained by Owner for the purpose of performing the services outlined above, upon the following terms and conditions:

A. Exclusive Right:

1. Agent shall have the sole and exclusive authority to offer each Asset for disposition and the "exclusive right to sell" and "exclusive right to lease" each Asset. All communications and inquiries regarding any Asset, whether directed to Owner (including but not limited to their officers, agents and employees), or Owners' counsel, accountants, or other professionals, shall be redirected to Agent.

2. Owner shall retain the complete discretion and authority to accept or reject any offer. Owner shall not have any liability whatsoever to Agent for exercising its discretion with respect to the acceptance or rejection of any offer.

B. Term: The term of Agent's retention shall be from the date hereof and shall continue for one (1) year hereafter, and, thereafter, shall automatically renew on a year-to-year basis, terminable by either party at the end of each year on not less than sixty (60) days' prior notice.

C. Fee: Agent's fee shall be computed and paid as follows:

(a) When Owner disposes of an Asset, whether individually or as part of a package or as part of the disposition of Owner's business or a portion thereof, or as part of a plan of reorganization, by sale, assignment, lease, sublet or otherwise to a third party, or by assignment of a leasehold to the landlord or by termination of a leasehold for which Owner receives consideration (any of the foregoing, an "Asset Transaction"); or if in lieu of a disposition of the Assets, one or more third parties acquires control of Owner by merger, outright purchase, or otherwise in one or multiple transactions (any of the foregoing, an "In Lieu Asset Transaction"); then, (i) if the Gross Proceeds from the Asset Transaction or In Lieu Asset Transaction, as the case may be, exceed \$50,000,000, Owner shall pay an amount equal to one

percent (1%) of the Gross Proceeds from the Asset Transaction or In Lieu Asset Transaction, as the case may be, and (ii) if the Gross Proceeds from the Asset Transaction or In Lieu Asset Transaction, as the case may be, are equal to or less than \$50,000,000, Owner shall pay an amount equal to three (3%) of the Gross Proceeds from the Asset Transaction or In Lieu Asset Transaction, as the case may be, except in the event of a lease or sublease, in which event Owner shall pay an amount equal to:

- (i) three (3%) percent of the total base rent Gross Proceeds payable during the first ten (10) years of the term, plus
- (ii) two (2%) percent of the total base rent Gross Proceeds payable during the eleventh (11th) through the twentieth (20th) years of the term, plus
- (iii) one (1%) percent of the total base rent Gross Proceeds payable during the balance of the term, but in no event to exceed the thirtieth (30) year;

(In the event of a month-to-month tenancy, the fee shall be 50% of the first month's base rental, payable in four (4) equal monthly installments, but only for so long as such tenancy shall continue. Additional fees shall only become earned and payable (i) upon a tenant's exercise of Option(s) or Rights(s) of First Refusal, to Renew, Extend Lease or Occupy Additional Space or (ii) upon a month-to-month tenant entering into a new lease or sublease of an Asset.)

(b) Agent's fee will be paid in full simultaneously with the closing, sale, assignment or other consummation of the transaction.

(c) In the event that Owner leases or subleases an Asset and the transferee, or any agent, officer, employee, or shareholder of the transferee, acquires fee-simple title to such property within five years, (i) if the Gross Proceeds from the acquisition exceed \$50,000,000, Owner shall pay an amount equal to one percent (1%) of the Gross Proceeds from the acquisition, and (ii) if the Gross Proceeds from the acquisition are equal to or less than \$50,000,000, Owner shall pay an amount equal to three (3%) of the Gross Proceeds from the acquisition payable in the same manner as described above; provided, however, that there shall be a credit against such subsequent fee in the amount of fees previously paid relating to that portion of the lease or sublease term which is cancelled by reason of such sale. In no event shall such credit exceed the amount of the latter fee.

(d) If an Asset for which a fee is payable hereunder contains (i) an option(s) or right(s) of first refusal to renew or extend, and a lease term(s) is renewed or extended whether strictly in accordance with the terms of such option(s) or right(s) or otherwise and/or (ii) an option(s) or right(s) of first refusal to expand, and a tenant occupies additional space whether strictly in accordance with the terms of such option(s) or right(s) or otherwise, with respect to space owned by, or leased to, the Owner, then Owner shall pay a leasing fee in accordance with the provisions of this agreement on the additional base rental to be paid, except that in the case of renewal or extension, the fee shall be calculated at the rate applicable hereunder as if such renewal or extension period were included in the initial term of the lease, and in the case of the tenant occupying additional space, the fee shall be calculated at the rate applicable hereunder as

if such expansion were a new lease. Such fee shall be earned and payable at the time the extended term commences or the additional space is occupied, as applicable.

(e) If a lease for which a fee is payable hereunder contains, as a primary component of the consideration to be paid by a tenant for the rent thereunder, a percentage rent clause, Owner shall pay a fee on the percentage rent payable by the tenant at the commission rate applicable to the period of the lease term for which the percentage rent is payable. Subject to paragraph II.C.1 of this Retention Agreement, the fee shall be payable within fifteen days after the tenant's final payment and accounting of percentage rent for the preceding lease year.

(f) In any transaction whereby Owner leases or subleases an Asset, Agent shall have the right to receive all formal notifications required pursuant to the lease to the extent that any such notice may affect the rights of Agent hereunder or the timing or payment of any fees due hereunder. In furtherance of such rights, Owner shall insert within the terms of such lease or sublease a separate paragraph that states Agent's right to notice, right to a fee as described in the above subparagraphs and Agent's address and phone number shall be included in the "notice" provision of such lease or sublease.

(g) In the event that a party other than Agent is a procuring broker who is entitled to a fee, in the event of a lease or sublease, the three-two-one (3-2-1) schedule set forth in paragraphs II.C.1(a)(i), (ii) and (iii) above shall be increased to four-three-two (4-3-2) and Agent shall pay the fee of the procuring broker. With respect to any sale, assignment or In Lieu Asset Transaction, the fees payable by Owner shall not be increased, and Agent shall pay any third party procuring broker's fee out of Agent's fee payable pursuant to this Retention Agreement. For any given transaction, Owner shall be responsible for the payment of only one fee in the amounts set forth herein.

(h) The term "base rent" means the base rent set forth in any lease and shall not include any additional rent, whether for utilities, taxes or otherwise, and which is ordinarily not a component of base rent, which may be payable under such lease.

(i) Without duplication of any amounts payable hereunder, Owner acknowledges and agrees that Agent shall be entitled to collect any compensation that would have otherwise been due and payable to Vornado Realty L.P. under the Original Agreement with respect to the leases and subleases of the Assets in effect as of the date hereof.

1. The term "Gross Proceeds" as used herein shall include the sum of:

(a) the total cash consideration transferred to or for the benefit of Owner; plus

(b) the balance, if any, of any outstanding mortgage(s) to be transferred to or assumed by the transferee; plus

(c) any deferred payment obligation granted by Owner to the transferee; plus

(d) the value of any waiver, relinquishment, transfer or assignment of any lien, and/or the value of any deposit, claim, or rights through which consideration is given whereby Owner shall receive compensation or a credit for payment; plus

(e) in the case of an Acquisition Transaction, "Gross Proceeds" shall be the value of the consideration to be received by Owner, its creditors or its stockholders.

2. Except as provided in paragraph II.C.1.(b), the computation of Gross Proceeds as well as the computation of fees hereunder shall not be affected by the costs of advertising, Owners' legal fees, break-up fees, Agent's expenses nor any closing costs and/or adjustments, including but not limited to adjustments and/or payments of whatever kind to landlords, lienholders, secured parties, mortgages or offerors.

D. Expenses and Disbursements:

1. Agent will not be responsible for any legal expenses incurred by Owner in connection with its retention of Agent, the disposition of the Assets and the preparation of legal motions and documents, including but not limited to the costs of preparing contracts and assignments as well as the costs of attending hearings and closing, among other things.

2. All advertising, marketing, and other third party expenses shall be borne by Owner. Agent will prepare a marketing budget and, upon the retention of Agent and the approval of the budget by Owner, Owner agrees to pay all such costs and expenses to Agent immediately upon the proper presentation of invoices. Agent shall be under no obligation to incur such expenses until such time as Agent receives funds from Owner.

3. In the event Owner fails or is unable to pay the expenses as above described or such additional expenses as Owner may approve, and Agent shall have given Owner prior written notice of its intention to resign and the reason therefor and Owner shall not have cured such failure within fifteen (15) days after receipt of such notice by Owner, Agent shall have the right to so resign, individually, and pursue any claims that Agent might have.

E. Survival:

1. In the event Owner and any third party should enter into an agreement providing for the sale, assignment, lease or other disposition of an Asset, or providing for an Acquisition Transaction, before the expiration of this Retention Agreement, and the closing does not occur until after such expiration, then Agent shall be entitled to a fee in accordance with the terms of this Retention Agreement. If Owner, after the expiration of this Retention Agreement, arranges for the sale, assignment, lease or other disposition of an Asset, or arranges for an Acquisition Transaction of an Asset to a third party where Agent substantially contributed to the consummation of such sale, assignment, lease or other disposition of an Asset or Acquisition Transaction during the term of this Retention Agreement, or with whom Owner signed a letter of intent for such transaction during the term of this Retention Agreement and, in any such event, the contract signing or closing takes place within six (6) months after such expiration, then Agent shall be entitled to a fee in accordance with the terms of this Retention Agreement. Within thirty (30) days after the termination or expiration of this Retention Agreement, Agent will furnish Owner with a list of the parties with whom a transaction with respect to the Assets would, in

Agent's view, give rise to a claim for a fee by Agent under this paragraph. The receipt of such a list by Owner shall not be construed as consent by Owner to the names contained thereon.

2. Agent's rights to fees from the future potential exercise by a tenant of option(s) or right(s) of first refusal, to renew, to extend the lease, and/or to occupy additional space, shall survive this Retention Agreement.

F. Owner Responsibilities: Owner shall inform Agent in writing immediately after Owner shall become aware, after the execution and delivery of this Retention Agreement, of any know or suspected risk of environmental hazard or contamination or of the receipt by Owner of a citation for the violation of any federal, state or local environmental law or regulation. Owner shall have the continuing obligation to advise Agent in writing as soon as it becomes aware of any inaccuracy, inconsistency, incompleteness or change of circumstances and to correct any environmental report with respect to the Assets. Owner will use its best efforts to deliver to Agent all environmental reports in its possession. Additionally, Owner will provide, promptly upon receipt thereof, a copy of any environmental reports prepared after the date hereof to Agent and will authorize Agent to disseminate such report to prospects. Agent shall be the only entity entitled to rely on the covenants contained in this paragraph. Any damages for a breach or violation of the covenants contained in this paragraph shall be limited to Agent's out-of-pocket expenses incurred in reliance on the covenants contained in this paragraph less any fees earned from the transaction related to the expenditure of such expenses.

G. General Provisions:

1. Agent hereby indemnifies Owner for all costs, expenses, damages, losses, obligations and liabilities that may arise from the claim by a third party with whom Agent dealt in connection with the disposition of any Asset that such third party is entitled to a fee, broker's commission or any other payment arising from the disposition of such Asset. The indemnity provided for in this paragraph shall be limited to the fees earned by Agent from the disposition of the Asset or Assets giving rise to the claim.

2. The parties hereto, on behalf of themselves and their respective officers, directors, agents and employees, agree to deal with each other fairly and in good faith so as to allow each party to perform its services and obligations and to receive the anticipated benefits of this Retention Agreement. No party shall interfere, prevent or prohibit another party from carrying out its duties and obligations under this Retention Agreement.

3. By executing or otherwise accepting this Retention Agreement, the parties hereto each acknowledge and represent that they are represented by and have consulted with legal counsel with respect to the terms and conditions contained herein.

4. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS RETENTION AGREEMENT.

5. This Retention Agreement may be executed in original counterparts.
6. This Retention Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has executed this Retention Agreement as of the day and year first above written.

PRINCIPAL:

731 OFFICE ONE LLC, a Delaware limited liability company

By: 731 OFFICE ONE HOLDING LLC, a Delaware limited liability company, its sole member

By: ALEXANDER'S INC., a Delaware corporation, its sole member

By: /s/ Alan J. Rice
Name: Alan J. Rice
Title: Secretary

AGENT:

ALEXANDER'S MANAGEMENT LLC, a New York limited liability company

By: ALEXANDER'S INC., a Delaware corporation, its sole member

By: /s/ Alan J. Rice
Name: Alan J. Rice
Title: Secretary

Schedule A

Schedule of Assets
Real Estate Retention Agreement

The Condominium Unit (in the Building located at and know as Beacon Court Condominium and by Street Number 151 East 58 th Street, New York), designated and described as Office Unit 1 and Office Unit 2 (hereinafter called the "Units") in the Declaration (hereinafter called "Declaration") made by the Sponsor under the Condominium Act of The State of New York (Article 9-b of the Real Property Law of the State of New York), dated 12/4/2003 and recorded 2/3/2004 in the Office of the Register The City of New York, Count of New York, as CRFN 2004000064392, as amended and restated by Amended and Restated Declaration dated 2/8/2005, recorded 3/9/2005 in CRFN 2005000139245, establishing a plan for Condominium ownership of said Building and the land upon which the same is erected (hereinafter sometimes collectively called the "Property") and also designated and described as Tax Lots No. 1002 and 1003, respectively, Block 1313 Section 5, Borough of Manhattan on the Tax Map of the Real property assessment department of the City of New York and on the floor plans of said Building certified by Peter Claman, Registered Architect on 1/30/2004 and files as Condominium Plan No. 1350 on 2/3/2004 in the aforesaid Register's Office in CRFN 2004000064383, amended Floor Plans filed as Condominium Plan No. 1350-A on 3/9/2005 in CRFN 2005000139246.

EXHIBIT B

Real Estate Sub-Retention Agreement

REAL ESTATE SUB-RETENTION AGREEMENT

THIS REAL ESTATE SUB-RETENTION AGREEMENT dated as of the 28th day of February, 2014 (this "Agreement") between **ALEXANDER'S MANAGEMENT LLC**, a New York limited liability company having an office c/o Alexander's, Inc., 210 Route 4 East, Paramus, New Jersey 07652 ("Agent") and **VORNADO REALTY L.P.**, a Delaware limited partnership having an office at c/o Vornado Realty Trust, 888 Seventh Avenue, New York, New York 10019 ("Sub-Agent").

RECITALS

WHEREAS, 731 Office One LLC ("Owner") and Agent are parties to that certain Real Estate Retention Agreement, dated as of the date hereof (a copy of which is attached hereto as Exhibit A, the "Over-Leasing Agreement"; all capitalized terms used, but not defined, herein shall have the meanings set forth in the Over-Leasing Agreement), pursuant to which Agent was appointed to act for Owner in connection with the leasing of those certain office condominium units located at 731 Lexington Avenue, New York, New York (as more fully identified in the Over-Leasing Agreement, the "Units"); and

WHEREAS, Agent wishes to enter into this Agreement with Sub-Agent to appoint Sub-Agent to perform the acts and duties of Agent under the Over-Leasing Agreement.

NOW THEREFORE, in consideration of the mutual promises and covenants herein contained, Agent and Sub-Agent hereby agree as follows:

ARTICLE I.

Appointment of Sub-Agent

A. Agent hereby appoints Sub-Agent, on the conditions and for the term hereinafter provided, to perform, on Agent's behalf, all duties imposed on Agent under the Over-Leasing Agreement. Sub-Agent hereby accepts said appointment to the extent of, and subject to, the conditions set forth below.

ARTICLE II.

Term

A. Term. The term of Sub-Agent's retention shall be from the date hereof and shall continue for one (1) year hereafter, and, thereafter, shall automatically renew on a year-to-year basis, terminable by either party at the end of each year on not less than sixty (60) days' prior notice.

B. Termination of Over-Leasing Agreement. In the event the Over-Leasing Agreement is terminated for any reason, this Agreement shall immediately terminate.

ARTICLE III.

Over-Leasing Agreement

A. Generally. It is the intention of Sub-Agent and Agent that Sub-Agent shall perform all duties imposed on Agent under the Over-Leasing Agreement and shall be subject to all of the terms and provisions of the Over-Leasing Agreement.

B. Duties Imposed. Sub-Agent agrees to perform all duties imposed on Agent pursuant to the Over-Leasing Agreement.

C. Scope of Authority. Sub-Agent shall have the same scope of authority and be subject to the same limitations on such authority as are set forth with respect to Agent in the Over-Leasing Agreement and as may be otherwise set forth in the Over-Leasing Agreement.

D. Audit Rights. Agent shall have the same audit rights against Sub-Agent that Owner has against Agent under the Over-Leasing Agreement and as may be otherwise set forth in the Over-Leasing Agreement.

E. Owner Obligations. Owner shall have the same obligations to Sub-Agent as Owner has to Agent under the Over-Leasing Agreement and as may be otherwise set forth in the Over-Leasing Agreement.

F. Expenses Reimbursement. Sub-Agent shall be entitled to reimbursement of expenses from Owner to the same extent that Agent would be entitled to such reimbursement under the Over-Leasing Agreement.

G. Notices. A copy of each notice given by Owner to Agent under the Over-Leasing Agreement shall simultaneously be given by Owner to Sub-Agent at its address set forth in Article IX hereof, in the manner set forth in the Over-Leasing Agreement. A copy of each notice given by Sub-Agent to Agent shall simultaneously be given by Sub-Agent to Owner at Owner's address set forth in the Over-Leasing Agreement, as such address may change from time to time on notice from Owner.

ARTICLE IV.

Compensation

A. Sub-Agent's fee shall be computed and paid as follows:

(a) When Owner disposes of an Asset, whether individually or as part of a package or as part of the disposition of Owner's business or a portion thereof, or as part of a plan of reorganization, by sale, assignment, lease, sublet or otherwise to a third party, or by assignment of a leasehold to the landlord or by termination of a leasehold for which Owner receives consideration (any of the foregoing, an "Asset Transaction"); or if in lieu of a disposition of the Assets, one or more third parties acquires control of Owner by merger, outright purchase, or otherwise in one or multiple transactions (any of the foregoing, an "In Lieu Asset Transaction"); then, (i) if the Gross Proceeds from the Asset Transaction or In Lieu Asset Transaction, as the case may be, exceed \$50,000,000, Agent shall pay an amount equal to one percent (1%) of the Gross Proceeds from the Asset Transaction or In Lieu Asset Transaction, as the case may be, and (ii) if the Gross Proceeds from the Asset Transaction or In Lieu Asset Transaction, as the case may be, are equal to or less than \$50,000,000, Agent shall pay an amount equal to three (3%) of the Gross Proceeds from the Asset Transaction or In Lieu Asset Transaction, as the case may be, except in the event of a lease or sublease, in which event Agent shall pay an amount equal to:

(i) three (3%) percent of the total base rent Gross Proceeds payable during the first ten (10) years of the term, plus

(ii) two (2%) percent of the total base rent Gross Proceeds payable during the eleventh (11th) through the twentieth (20th) years of the term, plus

(iii) one (1%) percent of the total base rent Gross Proceeds payable during the balance of the term, but in no event to exceed the thirtieth (30) year;

(In the event of a month-to-month tenancy, the fee shall be 50% of the first month's base rental, payable in four (4) equal monthly installments, but only for so long as such tenancy shall continue. Additional fees shall only become earned and payable (i) upon a tenant's exercise of Option(s) or Rights(s) of First Refusal, to Renew, Extend Lease or Occupy Additional Space or (ii) upon a month-to-month tenant entering into a new lease or sublease of an Asset.)

(b) Sub-Agent's fee will be paid in full simultaneously with the closing, sale, assignment or other consummation of the transaction. Notwithstanding the immediately preceding sentence, Sub-Agent's fees under this Agreement and interest accrued with respect to such fees will be payable in an aggregate amount not to exceed (1) \$4,000,000 in any calendar year (or such lesser amount as may be due Sub-Agent hereunder), less (2) the sum of (x) any amounts paid to Sub-Agent under that certain Real Estate Retention Agreement dated as of July 20, 1992, as amended, with respect to the same period, (y) any amounts paid to Sub-Agent under that certain Rego II Real Estate Sub-Retention Agreement dated as of November 30, 2011, as amended, with respect to the same period, and (z) any amounts paid to Sub-Agent under the Original Agreement, as amended, with respect to the same period. Interest shall accrue on the unpaid fees outstanding hereunder from time to time at the 1-year LIBOR rate plus 100 basis points, such rate to be determined annually as of the first day of January of each year. The fees and interest payable hereunder shall be paid in equal monthly installments (the "Installments") until such fees and interest accrued thereon have been paid in full. Installments shall be applied first to interest accrued hereunder and then to reduction of the fees outstanding hereunder from time to time. Fees payable with respect to a sale, assignment or In Lieu Asset Transaction shall be paid first and Sub-Agent shall not be entitled to receive any fees with respect to a lease or sublease to the extent the tenant is in default of its payment obligations thereunder, except as a result of a default by the Owner or a termination by Owner of the lease or sublease (other than a termination by the Owner resulting from the tenant's monetary default).

(c) In the event that Sub-Agent leases or subleases an Asset and the transferee, or any agent, officer, employee, or shareholder of the transferee, acquires fee-simple title to such property within five years, (i) if the Gross Proceeds from the acquisition exceed \$50,000,000, Agent shall pay an amount equal to one percent (1%) of the Gross Proceeds from the acquisition, and (ii) if the Gross Proceeds from the acquisition are equal to or less than \$50,000,000, Agent shall pay an amount equal to three (3%) of the Gross Proceeds from the acquisition payable in the same manner as described above; provided, however, that there shall be a credit against such subsequent fee in the amount of fees previously paid relating to that portion of the lease or sublease term which is cancelled by reason of such sale. In no event shall such credit exceed the amount of the latter fee.

(d) If an Asset for which a fee is payable hereunder contains (i) an option(s) or right(s) of first refusal to renew or extend, and a lease term(s) is renewed or extended whether strictly in accordance with the terms of such option(s) or right(s) or otherwise and/or (ii) an option(s) or right(s) of first refusal to expand, and a tenant occupies additional space whether strictly in accordance with the terms of such option(s) or right(s) or otherwise, with respect to space owned by, or leased to, the Agent, then Agent shall pay a leasing fee in accordance with the

provisions of this agreement on the additional base rental to be paid, except that in the case of renewal or extension, the fee shall be calculated at the rate applicable hereunder as if such renewal or extension period were included in the initial term of the lease, and in the case of the tenant occupying additional space, the fee shall be calculated at the rate applicable hereunder as if such expansion were a new lease. Such fee shall be earned and payable at the time the extended term commences or the additional space is occupied, as applicable.

(e) If a lease for which a fee is payable hereunder contains, as a primary component of the consideration to be paid by a tenant for the rent thereunder, a percentage rent clause, Sub-Agent shall pay a fee on the percentage rent payable by the tenant at the commission rate applicable to the period of the lease term for which the percentage rent is payable. Subject to paragraph IV.A(b) of this Sub-Retention Agreement, the fee shall be payable within fifteen days after the tenant's final payment and accounting of percentage rent for the preceding lease year.

(f) In any transaction whereby Sub-Agent leases or subleases an Asset, Sub-Agent shall have the right to receive all formal notifications required pursuant to the lease to the extent that any such notice may affect the rights of Sub-Agent hereunder or the timing or payment of any fees due hereunder. In furtherance of such rights, Agent shall insert within the terms of such lease or sublease a separate paragraph that states Sub-Agent's right to notice, right to a fee as described in the above subparagraphs and Sub-Agent's address and phone number shall be included in the "notice" provision of such lease or sublease.

(g) In the event that a party other than Sub-Agent is a procuring broker who is entitled to a fee, in the event of a lease or sublease, the three-two-one (3-2-1) schedule set forth in paragraphs IV.A(i), (ii) and (iii) above shall be increased to four-three-two (4-3-2) and Sub-Agent shall pay the fee of the procuring broker. With respect to any sale, assignment or In Lieu Asset Transaction, the fees payable by Agent shall not be increased, and Sub-Agent shall pay any third party procuring broker's fee out of Sub-Agent's fee payable pursuant to this Agreement. For any given transaction, Agent shall be responsible for the payment of only one fee in the amounts set forth herein.

(h) The term "base rent" means the base rent set forth in any lease and shall not include any additional rent, whether for utilities, taxes or otherwise, and which is ordinarily not a component of base rent, which may be payable under such lease.

(i) Without duplication of any amounts payable hereunder, Agent acknowledges and agrees that Sub-Agent shall be entitled to collect any compensation that would have otherwise been due and payable to Sub-Agent under the Original Agreement with respect to the leases and subleases of the Assets in effect as of the date hereof.

ARTICLE V.

Assignment; Cancellation

A. Neither Agent nor Sub-Agent shall assign this Agreement or any of its rights hereunder without the consent of the other party; provided, however, that (x) Sub-Agent shall have the right to assign its rights and delegate its duties under this Agreement to any of its affiliates without the consent of Agent and (y) Agent shall have the right to agree to Owner's collateral assignment of the Over-Leasing Agreement to one or more lenders providing financing with respect to the Units and the subordination of any amounts payable by Owner to Agent to amounts payable to such lenders with

respect to such financing; provided, further, that in no event shall any such subordination affect or diminish the obligations of Agent to Sub-Agent hereunder.

B. In the event that there is a change of control of Agent or Sub-Agent after the date of this Agreement, Agent shall have the right to terminate this Agreement if Agent shall determine that such change of control is reasonably likely to have a material adverse effect on the ability of Sub-Agent to perform its obligations under this Agreement.

ARTICLE VI.

No Joint Venture

It is the intent of this Agreement to constitute Sub-Agent as an independent contractor and as agent of Agent and Owner under any contract entered into by Sub-Agent on behalf of Agent or Owner in accordance with the terms of this Agreement, and this Agreement shall be so construed and Sub-Agent agrees at all times to act in conformity therewith. Nothing herein contained shall be deemed to have created, or be construed as having created any joint venture or partnership relationship between Agent and Sub-Agent. At all times during the performance of its duties and obligations arising hereunder, Sub-Agent shall be acting as an independent contractor.

ARTICLE VII.

Indemnity

- A. Sub-Agent shall be a beneficiary of any indemnity provided by Owner pursuant to the Over-Leasing Agreement.
- B. The terms of this Article VII shall survive the expiration or termination of this Agreement.

ARTICLE VIII.

Notices

Any and all notices, consents or directives by either party intended for the other shall be in writing sent by hand delivery or reputable overnight courier service to the respective addresses first herein set forth in this Agreement, with copies sent to Vornado Realty Trust, 210 Route 4 East, Paramus, New Jersey 07652, Attention: Chief Financial Officer, unless either party shall have designated different addresses by serving written notices of change of addresses on the other party by registered or certified mail, return receipt requested.

ARTICLE IX.

Recourse Limitation

A. Sub-Agent shall use every reasonable means to assure that all persons having dealings with Sub-Agent shall be informed that no director, trustee, shareholder, officer or agent of Sub-Agent, Agent or Owner shall be held to any personal liability, nor shall resort be had to their private property for the satisfaction of any obligation or claim or otherwise in connection with the affairs of Agent, but the trust estate only shall be liable.

ARTICLE X.

Miscellaneous

- A. This Agreement cannot be changed or modified, varied or altered except by an agreement, in writing, executed by each of the parties hereto. This Agreement constitutes all of the understandings and agreements of whatsoever kind or nature existing between the parties in connection with the relationship created herein.
- B. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.
- C. Neither Agent nor Sub-Agent shall make (and each hereby waives) any claim against the other party's directors, trustees, beneficiaries or shareholders personally.

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

AGENT:

ALEXANDER'S MANAGEMENT, LLC, a New York limited liability company

By: ALEXANDER'S INC., a Delaware corporation, its
sole member

By: /s/ Alan J. Rice
Name: Alan J. Rice
Title: Secretary

SUB-AGENT:

VORNADO REALTY L.P.,
a Delaware limited partnership

By: Vornado Realty Trust,
its general partner

By: /s/ Alan J. Rice
Name: Alan J. Rice
Title: Senior Vice President

EXHIBIT A
OVER-LEASING AGREEMENT

See attached copy.

**REAL ESTATE
RETENTION AGREEMENT**

By this Real Estate Retention Agreement, dated as of February 28, 2014 (this "Retention Agreement"), ALEXANDER'S MANAGEMENT LLC, a New York limited liability company having an office c/o Alexander's, Inc., 210 Route 4 East, Paramus, New Jersey 07652 ("Agent") agrees to act as special real estate consultant to 731 OFFICE ONE LLC, a Delaware limited liability company having an office c/o Alexander's, Inc., 210 Route 4 East, Paramus, New Jersey 07652 ("Owner"), with respect to the leasing and disposition of Owner's real property, as well as the sale of Owner's right, title and interest in the fixtures and improvements thereat (which is disposed of with the real property), including, without limitation, the office condominium units more specifically described in the attached Schedule A (the "Asset(s)"), and the compensation Agent expects to receive.

WHEREAS, Owner was party to that certain 59th Street Real Estate Retention Agreement, dated as of July 3, 2002, by and among Vornado Realty L.P., 731 Residential LLC and 731 Commercial LLC, which is the predecessor owner of the Assets, as the same was amended by that certain Letter Agreement Relating to 59th Street Real Estate Retention Agreement, dated as of July 6, 2005, by and among 731 Commercial LLC, 731 Retail One LLC and Vornado Realty L.P. and that certain Amendment to 59th Street Real Estate Retention Agreement, dated as of January 1, 2007, by and among 731 Retail One LLC, 731 Restaurant LLC, Owner, 731 Office Two LLC and Vornado Realty L.P. (as so amended, the "Original Agreement"); and

WHEREAS, pursuant to that certain Termination Agreement, dated as of the date hereof, each of the parties to the Original Agreement agreed that the Original Agreement would be terminated with respect to Owner and that Owner would no longer have any obligations under the Original Agreement, provided that Owner and Agent enter into this Retention Agreement and Agent and Vornado Realty L.P. enter into that certain Sub-Retention Agreement being entered into concurrently herewith.

NOW, THEREFORE, the parties hereto hereby agree as follows:

I. SUMMARY OF MARKETING SERVICES

Agent will provide those services that are reasonably necessary to market the Assets, as contemplated by this Retention Agreement. Such services may include, but are not necessarily limited to, those generally described below:

1. Inspecting the Assets to determine their physical condition.
 2. Creating a marketing program which may include newspapers, magazine or journal advertising, flyer solicitation and placement of signs, as appropriate. Preparing and disseminating all such marketing materials, all of which shall be approved by Owner and shall be at the sole cost and expense of Owner.
 3. Communicating with parties who have expressed an interest in the Assets and responding and providing information to, negotiating with, and soliciting offers from,
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prospective purchasers, including landlords, and making recommendations to Owner as to the advisability of accepting particular offers and settlements.

4. Arranging for physical inspections of the Assets by prospective purchasers.

5. When requested, meeting periodically with Owner, their accountants and attorneys, in connection with the status of Owner's efforts and recommending to Owner and its counsel the proper method of handling the particular problems encountered with respect to the disposition of the Assets.

6. If required, appearing in Court during the term of this retention, to testify or to consult with Owners in connection with the marketing or disposition of the Assets.

II. **BASIS OF RETENTION AND COMPENSATION**

Agent will actively and diligently discharge its obligations under this Agreement. Agent shall be retained by Owner for the purpose of performing the services outlined above, upon the following terms and conditions:

A. Exclusive Right:

1. Agent shall have the sole and exclusive authority to offer each Asset for disposition and the "exclusive right to sell" and "exclusive right to lease" each Asset. All communications and inquiries regarding any Asset, whether directed to Owner (including but not limited to their officers, agents and employees), or Owners' counsel, accountants, or other professionals, shall be redirected to Agent.

2. Owner shall retain the complete discretion and authority to accept or reject any offer. Owner shall not have any liability whatsoever to Agent for exercising its discretion with respect to the acceptance or rejection of any offer.

B. Term: The term of Agent's retention shall be from the date hereof and shall continue for one (1) year hereafter, and, thereafter, shall automatically renew on a year-to-year basis, terminable by either party at the end of each year on not less than sixty (60) days' prior notice.

C. Fee: Agent's fee shall be computed and paid as follows:

(a) When Owner disposes of an Asset, whether individually or as part of a package or as part of the disposition of Owner's business or a portion thereof, or as part of a plan of reorganization, by sale, assignment, lease, sublet or otherwise to a third party, or by assignment of a leasehold to the landlord or by termination of a leasehold for which Owner receives consideration (any of the foregoing, an "Asset Transaction"); or if in lieu of a disposition of the Assets, one or more third parties acquires control of Owner by merger, outright purchase, or otherwise in one or multiple transactions (any of the foregoing, an "In Lieu Asset Transaction"); then, (i) if the Gross Proceeds from the Asset Transaction or In Lieu Asset Transaction, as the case may be, exceed \$50,000,000, Owner shall pay an amount equal to one

percent (1%) of the Gross Proceeds from the Asset Transaction or In Lieu Asset Transaction, as the case may be, and (ii) if the Gross Proceeds from the Asset Transaction or In Lieu Asset Transaction, as the case may be, are equal to or less than \$50,000,000, Owner shall pay an amount equal to three (3%) of the Gross Proceeds from the Asset Transaction or In Lieu Asset Transaction, as the case may be, except in the event of a lease or sublease, in which event Owner shall pay an amount equal to:

- (i) three (3%) percent of the total base rent Gross Proceeds payable during the first ten (10) years of the term, plus
- (ii) two (2%) percent of the total base rent Gross Proceeds payable during the eleventh (11th) through the twentieth (20th) years of the term, plus
- (iii) one (1%) percent of the total base rent Gross Proceeds payable during the balance of the term, but in no event to exceed the thirtieth (30) year;

(In the event of a month-to-month tenancy, the fee shall be 50% of the first month's base rental, payable in four (4) equal monthly installments, but only for so long as such tenancy shall continue. Additional fees shall only become earned and payable (i) upon a tenant's exercise of Option(s) or Rights(s) of First Refusal, to Renew, Extend Lease or Occupy Additional Space or (ii) upon a month-to-month tenant entering into a new lease or sublease of an Asset.)

(b) Agent's fee will be paid in full simultaneously with the closing, sale, assignment or other consummation of the transaction.

(c) In the event that Owner leases or subleases an Asset and the transferee, or any agent, officer, employee, or shareholder of the transferee, acquires fee-simple title to such property within five years, (i) if the Gross Proceeds from the acquisition exceed \$50,000,000, Owner shall pay an amount equal to one percent (1%) of the Gross Proceeds from the acquisition, and (ii) if the Gross Proceeds from the acquisition are equal to or less than \$50,000,000, Owner shall pay an amount equal to three (3%) of the Gross Proceeds from the acquisition payable in the same manner as described above; provided, however, that there shall be a credit against such subsequent fee in the amount of fees previously paid relating to that portion of the lease or sublease term which is cancelled by reason of such sale. In no event shall such credit exceed the amount of the latter fee.

(d) If an Asset for which a fee is payable hereunder contains (i) an option(s) or right(s) of first refusal to renew or extend, and a lease term(s) is renewed or extended whether strictly in accordance with the terms of such option(s) or right(s) or otherwise and/or (ii) an option(s) or right(s) of first refusal to expand, and a tenant occupies additional space whether strictly in accordance with the terms of such option(s) or right(s) or otherwise, with respect to space owned by, or leased to, the Owner, then Owner shall pay a leasing fee in accordance with the provisions of this agreement on the additional base rental to be paid, except that in the case of renewal or extension, the fee shall be calculated at the rate applicable hereunder as if such renewal or extension period were included in the initial term of the lease, and in the case of the tenant occupying additional space, the fee shall be calculated at the rate applicable hereunder as

if such expansion were a new lease. Such fee shall be earned and payable at the time the extended term commences or the additional space is occupied, as applicable.

(e) If a lease for which a fee is payable hereunder contains, as a primary component of the consideration to be paid by a tenant for the rent thereunder, a percentage rent clause, Owner shall pay a fee on the percentage rent payable by the tenant at the commission rate applicable to the period of the lease term for which the percentage rent is payable. Subject to paragraph II.C.1 of this Retention Agreement, the fee shall be payable within fifteen days after the tenant's final payment and accounting of percentage rent for the preceding lease year.

(f) In any transaction whereby Owner leases or subleases an Asset, Agent shall have the right to receive all formal notifications required pursuant to the lease to the extent that any such notice may affect the rights of Agent hereunder or the timing or payment of any fees due hereunder. In furtherance of such rights, Owner shall insert within the terms of such lease or sublease a separate paragraph that states Agent's right to notice, right to a fee as described in the above subparagraphs and Agent's address and phone number shall be included in the "notice" provision of such lease or sublease.

(g) In the event that a party other than Agent is a procuring broker who is entitled to a fee, in the event of a lease or sublease, the three-two-one (3-2-1) schedule set forth in paragraphs II.C.1(a)(i), (ii) and (iii) above shall be increased to four-three-two (4-3-2) and Agent shall pay the fee of the procuring broker. With respect to any sale, assignment or In Lieu Asset Transaction, the fees payable by Owner shall not be increased, and Agent shall pay any third party procuring broker's fee out of Agent's fee payable pursuant to this Retention Agreement. For any given transaction, Owner shall be responsible for the payment of only one fee in the amounts set forth herein.

(h) The term "base rent" means the base rent set forth in any lease and shall not include any additional rent, whether for utilities, taxes or otherwise, and which is ordinarily not a component of base rent, which may be payable under such lease.

(i) Without duplication of any amounts payable hereunder, Owner acknowledges and agrees that Agent shall be entitled to collect any compensation that would have otherwise been due and payable to Vornado Realty L.P. under the Original Agreement with respect to the leases and subleases of the Assets in effect as of the date hereof.

1. The term "Gross Proceeds" as used herein shall include the sum of:

- (a) the total cash consideration transferred to or for the benefit of Owner; plus
- (b) the balance, if any, of any outstanding mortgage(s) to be transferred to or assumed by the transferee; plus
- (c) any deferred payment obligation granted by Owner to the transferee; plus

(d) the value of any waiver, relinquishment, transfer or assignment of any lien, and/or the value of any deposit, claim, or rights through which consideration is given whereby Owner shall receive compensation or a credit for payment; plus

(e) in the case of an Acquisition Transaction, "Gross Proceeds" shall be the value of the consideration to be received by Owner, its creditors or its stockholders.

2. Except as provided in paragraph II.C.1.(b), the computation of Gross Proceeds as well as the computation of fees hereunder shall not be affected by the costs of advertising, Owners' legal fees, break-up fees, Agent's expenses nor any closing costs and/or adjustments, including but not limited to adjustments and/or payments of whatever kind to landlords, lienholders, secured parties, mortgages or offerors.

D. Expenses and Disbursements:

1. Agent will not be responsible for any legal expenses incurred by Owner in connection with its retention of Agent, the disposition of the Assets and the preparation of legal motions and documents, including but not limited to the costs of preparing contracts and assignments as well as the costs of attending hearings and closing, among other things.

2. All advertising, marketing, and other third party expenses shall be borne by Owner. Agent will prepare a marketing budget and, upon the retention of Agent and the approval of the budget by Owner, Owner agrees to pay all such costs and expenses to Agent immediately upon the proper presentation of invoices. Agent shall be under no obligation to incur such expenses until such time as Agent receives funds from Owner.

3. In the event Owner fails or is unable to pay the expenses as above described or such additional expenses as Owner may approve, and Agent shall have given Owner prior written notice of its intention to resign and the reason therefor and Owner shall not have cured such failure within fifteen (15) days after receipt of such notice by Owner, Agent shall have the right to so resign, individually, and pursue any claims that Agent might have.

E. Survival:

1. In the event Owner and any third party should enter into an agreement providing for the sale, assignment, lease or other disposition of an Asset, or providing for an Acquisition Transaction, before the expiration of this Retention Agreement, and the closing does not occur until after such expiration, then Agent shall be entitled to a fee in accordance with the terms of this Retention Agreement. If Owner, after the expiration of this Retention Agreement, arranges for the sale, assignment, lease or other disposition of an Asset, or arranges for an Acquisition Transaction of an Asset to a third party where Agent substantially contributed to the consummation of such sale, assignment, lease or other disposition of an Asset or Acquisition Transaction during the term of this Retention Agreement, or with whom Owner signed a letter of intent for such transaction during the term of this Retention Agreement and, in any such event, the contract signing or closing takes place within six (6) months after such expiration, then Agent shall be entitled to a fee in accordance with the terms of this Retention Agreement. Within thirty (30) days after the termination or expiration of this Retention Agreement, Agent will furnish Owner with a list of the parties with whom a transaction with respect to the Assets would, in

Agent's view, give rise to a claim for a fee by Agent under this paragraph. The receipt of such a list by Owner shall not be construed as consent by Owner to the names contained thereon.

2. Agent's rights to fees from the future potential exercise by a tenant of option(s) or right(s) of first refusal, to renew, to extend the lease, and/or to occupy additional space, shall survive this Retention Agreement.

F. Owner Responsibilities: Owner shall inform Agent in writing immediately after Owner shall become aware, after the execution and delivery of this Retention Agreement, of any known or suspected risk of environmental hazard or contamination or of the receipt by Owner of a citation for the violation of any federal, state or local environmental law or regulation. Owner shall have the continuing obligation to advise Agent in writing as soon as it becomes aware of any inaccuracy, inconsistency, incompleteness or change of circumstances and to correct any environmental report with respect to the Assets. Owner will use its best efforts to deliver to Agent all environmental reports in its possession. Additionally, Owner will provide, promptly upon receipt thereof, a copy of any environmental reports prepared after the date hereof to Agent and will authorize Agent to disseminate such report to prospects. Agent shall be the only entity entitled to rely on the covenants contained in this paragraph. Any damages for a breach or violation of the covenants contained in this paragraph shall be limited to Agent's out-of-pocket expenses incurred in reliance on the covenants contained in this paragraph less any fees earned from the transaction related to the expenditure of such expenses.

G. General Provisions:

1. Agent hereby indemnifies Owner for all costs, expenses, damages, losses, obligations and liabilities that may arise from the claim by a third party with whom Agent dealt in connection with the disposition of any Asset that such third party is entitled to a fee, broker's commission or any other payment arising from the disposition of such Asset. The indemnity provided for in this paragraph shall be limited to the fees earned by Agent from the disposition of the Asset or Assets giving rise to the claim.

2. The parties hereto, on behalf of themselves and their respective officers, directors, agents and employees, agree to deal with each other fairly and in good faith so as to allow each party to perform its services and obligations and to receive the anticipated benefits of this Retention Agreement. No party shall interfere, prevent or prohibit another party from carrying out its duties and obligations under this Retention Agreement.

3. By executing or otherwise accepting this Retention Agreement, the parties hereto each acknowledge and represent that they are represented by and have consulted with legal counsel with respect to the terms and conditions contained herein.

4. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS RETENTION AGREEMENT.

5. This Retention Agreement may be executed in original counterparts.
6. This Retention Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has executed this Retention Agreement as of the day and year first above written.

PRINCIPAL:

731 OFFICE ONE LLC, a Delaware limited liability company

By: 731 OFFICE ONE HOLDING LLC, a Delaware limited liability company, its sole member

By: ALEXANDER'S INC., a Delaware corporation, its sole member

By: /s/ Alan J. Rice
Name: Alan J. Rice
Title: Secretary

AGENT:

ALEXANDER'S MANAGEMENT LLC, a New York limited liability company

By: ALEXANDER'S INC., a Delaware corporation, its sole member

By: /s/ Alan J. Rice
Name: Alan J. Rice
Title: Secretary

Schedule A

Schedule of Assets
Real Estate Retention Agreement

The Condominium Unit (in the Building located at and know as Beacon Court Condominium and by Street Number 151 East 58 th Street, New York), designated and described as Office Unit 1 and Office Unit 2 (hereinafter called the "Units") in the Declaration (hereinafter called "Declaration") made by the Sponsor under the Condominium Act of The State of New York (Article 9-b of the Real Property Law of the State of New York), dated 12/4/2003 and recorded 2/3/2004 in the Office of the Register The City of New York, Count of New York, as CRFN 2004000064392, as amended and restated by Amended and Restated Declaration dated 2/8/2005, recorded 3/9/2005 in CRFN 2005000139245, establishing a plan for Condominium ownership of said Building and the land upon which the same is erected (hereinafter sometimes collectively called the "Property") and also designated and described as Tax Lots No. 1002and 1003, respectively, Block 1313 Section 5, Borough of Manhattan on the Tax Map of the Real property assessment department of the City of New York and on the floor plans of said Building certified by Peter Claman, Registered Architect on 1/30/2004 and files as Condominium Plan No. 1350 on 2/3/2004 in the aforesaid Register's Office in CRFN 2004000064383, amended Floor Plans filed as Condominium Plan No. 1350-A on 3/9/2005 in CRFN 2005000139246.

REAL ESTATE SUB-RETENTION AGREEMENT

THIS REAL ESTATE SUB-RETENTION AGREEMENT dated as of the 28th day of February, 2014 (this "Agreement") between **ALEXANDER'S MANAGEMENT LLC**, a New York limited liability company having an office c/o Alexander's, Inc., 210 Route 4 East, Paramus, New Jersey 07652 ("Agent") and **VORNADO REALTY L.P.**, a Delaware limited partnership having an office at c/o Vornado Realty Trust, 888 Seventh Avenue, New York, New York 10019 ("Sub-Agent").

RECITALS

WHEREAS, 731 Office One LLC ("Owner") and Agent are parties to that certain Real Estate Retention Agreement, dated as of the date hereof (a copy of which is attached hereto as Exhibit A, the "Over-Leasing Agreement"; all capitalized terms used, but not defined, herein shall have the meanings set forth in the Over-Leasing Agreement), pursuant to which Agent was appointed to act for Owner in connection with the leasing of those certain office condominium units located at 731 Lexington Avenue, New York, New York (as more fully identified in the Over-Leasing Agreement, the "Units"); and

WHEREAS, Agent wishes to enter into this Agreement with Sub-Agent to appoint Sub-Agent to perform the acts and duties of Agent under the Over-Leasing Agreement.

NOW THEREFORE, in consideration of the mutual promises and covenants herein contained, Agent and Sub-Agent hereby agree as follows:

ARTICLE I.**Appointment of Sub-Agent**

A. Agent hereby appoints Sub-Agent, on the conditions and for the term hereinafter provided, to perform, on Agent's behalf, all duties imposed on Agent under the Over-Leasing Agreement. Sub-Agent hereby accepts said appointment to the extent of, and subject to, the conditions set forth below.

ARTICLE II.**Term**

A. Term. The term of Sub-Agent's retention shall be from the date hereof and shall continue for one (1) year hereafter, and, thereafter, shall automatically renew on a year-to-year basis, terminable by either party at the end of each year on not less than sixty (60) days' prior notice.

B. Termination of Over-Leasing Agreement. In the event the Over-Leasing Agreement is terminated for any reason, this Agreement shall immediately terminate.

ARTICLE III.**Over-Leasing Agreement**

A. Generally. It is the intention of Sub-Agent and Agent that Sub-Agent shall perform all duties imposed on Agent under the Over-Leasing Agreement and shall be subject to all of the terms and provisions of the Over-Leasing Agreement.

- B. Duties Imposed. Sub-Agent agrees to perform all duties imposed on Agent pursuant to the Over-Leasing Agreement.
- C. Scope of Authority. Sub-Agent shall have the same scope of authority and be subject to the same limitations on such authority as are set forth with respect to Agent in the Over-Leasing Agreement and as may be otherwise set forth in the Over-Leasing Agreement.
- D. Audit Rights. Agent shall have the same audit rights against Sub-Agent that Owner has against Agent under the Over-Leasing Agreement and as may be otherwise set forth in the Over-Leasing Agreement.
- E. Owner Obligations. Owner shall have the same obligations to Sub-Agent as Owner has to Agent under the Over-Leasing Agreement and as may be otherwise set forth in the Over-Leasing Agreement.
- F. Expenses Reimbursement. Sub-Agent shall be entitled to reimbursement of expenses from Owner to the same extent that Agent would be entitled to such reimbursement under the Over-Leasing Agreement.
- G. Notices. A copy of each notice given by Owner to Agent under the Over-Leasing Agreement shall simultaneously be given by Owner to Sub-Agent at its address set forth in Article IX hereof, in the manner set forth in the Over-Leasing Agreement. A copy of each notice given by Sub-Agent to Agent shall simultaneously be given by Sub-Agent to Owner at Owner's address set forth in the Over-Leasing Agreement, as such address may change from time to time on notice from Owner.

ARTICLE IV.

Compensation

- A. Sub-Agent's fee shall be computed and paid as follows:

(a) When Owner disposes of an Asset, whether individually or as part of a package or as part of the disposition of Owner's business or a portion thereof, or as part of a plan of reorganization, by sale, assignment, lease, sublet or otherwise to a third party, or by assignment of a leasehold to the landlord or by termination of a leasehold for which Owner receives consideration (any of the foregoing, an "Asset Transaction"); or if in lieu of a disposition of the Assets, one or more third parties acquires control of Owner by merger, outright purchase, or otherwise in one or multiple transactions (any of the foregoing, an "In Lieu Asset Transaction"); then, (i) if the Gross Proceeds from the Asset Transaction or In Lieu Asset Transaction, as the case may be, exceed \$50,000,000, Agent shall pay an amount equal to one percent (1%) of the Gross Proceeds from the Asset Transaction or In Lieu Asset Transaction, as the case may be, and (ii) if the Gross Proceeds from the Asset Transaction or In Lieu Asset Transaction, as the case may be, are equal to or less than \$50,000,000, Agent shall pay an amount equal to three (3%) of the Gross Proceeds from the Asset Transaction or In Lieu Asset Transaction, as the case may be, except in the event of a lease or sublease, in which event Agent shall pay an amount equal to:

- (i) three (3%) percent of the total base rent Gross Proceeds payable during the first ten (10) years of the term, plus

(ii) two (2%) percent of the total base rent Gross Proceeds payable during the eleventh (11th) through the twentieth (20th) years of the term, plus

(iii) one (1%) percent of the total base rent Gross Proceeds payable during the balance of the term, but in no event to exceed the thirtieth (30) year;

(In the event of a month-to-month tenancy, the fee shall be 50% of the first month's base rental, payable in four (4) equal monthly installments, but only for so long as such tenancy shall continue. Additional fees shall only become earned and payable (i) upon a tenant's exercise of Option(s) or Rights(s) of First Refusal, to Renew, Extend Lease or Occupy Additional Space or (ii) upon a month-to-month tenant entering into a new lease or sublease of an Asset.)

(b) Sub-Agent's fee will be paid in full simultaneously with the closing, sale, assignment or other consummation of the transaction. Notwithstanding the immediately preceding sentence, Sub-Agent's fees under this Agreement and interest accrued with respect to such fees will be payable in an aggregate amount not to exceed (1) \$4,000,000 in any calendar year (or such lesser amount as may be due Sub-Agent hereunder), less (2) the sum of (x) any amounts paid to Sub-Agent under that certain Real Estate Retention Agreement dated as of July 20, 1992, as amended, with respect to the same period, (y) any amounts paid to Sub-Agent under that certain Rego II Real Estate Sub-Retention Agreement dated as of November 30, 2011, as amended, with respect to the same period, and (z) any amounts paid to Sub-Agent under the Original Agreement, as amended, with respect to the same period. Interest shall accrue on the unpaid fees outstanding hereunder from time to time at the 1-year LIBOR rate plus 100 basis points, such rate to be determined annually as of the first day of January of each year. The fees and interest payable hereunder shall be paid in equal monthly installments (the "Installments") until such fees and interest accrued thereon have been paid in full. Installments shall be applied first to interest accrued hereunder and then to reduction of the fees outstanding hereunder from time to time. Fees payable with respect to a sale, assignment or In Lieu Asset Transaction shall be paid first and Sub-Agent shall not be entitled to receive any fees with respect to a lease or sublease to the extent the tenant is in default of its payment obligations thereunder, except as a result of a default by the Owner or a termination by Owner of the lease or sublease (other than a termination by the Owner resulting from the tenant's monetary default).

(c) In the event that Sub-Agent leases or subleases an Asset and the transferee, or any agent, officer, employee, or shareholder of the transferee, acquires fee-simple title to such property within five years, (i) if the Gross Proceeds from the acquisition exceed \$50,000,000, Agent shall pay an amount equal to one percent (1%) of the Gross Proceeds from the acquisition, and (ii) if the Gross Proceeds from the acquisition are equal to or less than \$50,000,000, Agent shall pay an amount equal to three (3%) of the Gross Proceeds from the acquisition payable in the same manner as described above; provided, however, that there shall be a credit against such subsequent fee in the amount of fees previously paid relating to that portion of the lease or sublease term which is cancelled by reason of such sale. In no event shall such credit exceed the amount of the latter fee.

(d) If an Asset for which a fee is payable hereunder contains (i) an option(s) or right(s) of first refusal to renew or extend, and a lease term(s) is renewed or extended whether strictly in accordance with the terms of such option(s) or right(s) or otherwise and/or (ii) an option(s) or right(s) of first refusal to expand, and a tenant occupies additional space whether strictly in accordance with the terms of such option(s) or right(s) or otherwise, with respect to space owned by, or leased to, the Agent, then Agent shall pay a leasing fee in accordance with the

provisions of this agreement on the additional base rental to be paid, except that in the case of renewal or extension, the fee shall be calculated at the rate applicable hereunder as if such renewal or extension period were included in the initial term of the lease, and in the case of the tenant occupying additional space, the fee shall be calculated at the rate applicable hereunder as if such expansion were a new lease. Such fee shall be earned and payable at the time the extended term commences or the additional space is occupied, as applicable.

(e) If a lease for which a fee is payable hereunder contains, as a primary component of the consideration to be paid by a tenant for the rent thereunder, a percentage rent clause, Sub-Agent shall pay a fee on the percentage rent payable by the tenant at the commission rate applicable to the period of the lease term for which the percentage rent is payable. Subject to paragraph IV.A(b) of this Sub-Retention Agreement, the fee shall be payable within fifteen days after the tenant's final payment and accounting of percentage rent for the preceding lease year.

(f) In any transaction whereby Sub-Agent leases or subleases an Asset, Sub-Agent shall have the right to receive all formal notifications required pursuant to the lease to the extent that any such notice may affect the rights of Sub-Agent hereunder or the timing or payment of any fees due hereunder. In furtherance of such rights, Agent shall insert within the terms of such lease or sublease a separate paragraph that states Sub-Agent's right to notice, right to a fee as described in the above subparagraphs and Sub-Agent's address and phone number shall be included in the "notice" provision of such lease or sublease.

(g) In the event that a party other than Sub-Agent is a procuring broker who is entitled to a fee, in the event of a lease or sublease, the three-two-one (3-2-1) schedule set forth in paragraphs IV.A(i), (ii) and (iii) above shall be increased to four-three-two (4-3-2) and Sub-Agent shall pay the fee of the procuring broker. With respect to any sale, assignment or In Lieu Asset Transaction, the fees payable by Agent shall not be increased, and Sub-Agent shall pay any third party procuring broker's fee out of Sub-Agent's fee payable pursuant to this Agreement. For any given transaction, Agent shall be responsible for the payment of only one fee in the amounts set forth herein.

(h) The term "base rent" means the base rent set forth in any lease and shall not include any additional rent, whether for utilities, taxes or otherwise, and which is ordinarily not a component of base rent, which may be payable under such lease.

(i) Without duplication of any amounts payable hereunder, Agent acknowledges and agrees that Sub-Agent shall be entitled to collect any compensation that would have otherwise been due and payable to Sub-Agent under the Original Agreement with respect to the leases and subleases of the Assets in effect as of the date hereof.

ARTICLE V.

Assignment; Cancellation

A. Neither Agent nor Sub-Agent shall assign this Agreement or any of its rights hereunder without the consent of the other party; provided, however, that (x) Sub-Agent shall have the right to assign its rights and delegate its duties under this Agreement to any of its affiliates without the consent of Agent and (y) Agent shall have the right to agree to Owner's collateral assignment the Over-Leasing Agreement to one or more lenders providing financing with respect to the Units and the subordination of any amounts payable by Owner to Agent to amounts payable to such lenders with

respect to such financing: provided, further, that in no event shall any such subordination affect or diminish the obligations of Agent to Sub-Agent hereunder.

B. In the event that there is a change of control of Agent or Sub-Agent after the date of this Agreement, Agent shall have the right to terminate this Agreement if Agent shall determine that such change of control is reasonably likely to have a material adverse effect on the ability of Sub-Agent to perform its obligations under this Agreement.

ARTICLE VI.

No Joint Venture

It is the intent of this Agreement to constitute Sub-Agent as an independent contractor and as agent of Agent and Owner under any contract entered into by Sub-Agent on behalf of Agent or Owner in accordance with the terms of this Agreement, and this Agreement shall be so construed and Sub-Agent agrees at all times to act in conformity therewith. Nothing herein contained shall be deemed to have created, or be construed as having created any joint venture or partnership relationship between Agent and Sub-Agent. At all times during the performance of its duties and obligations arising hereunder, Sub-Agent shall be acting as an independent contractor.

ARTICLE VII.

Indemnity

- A. Sub-Agent shall be a beneficiary of any indemnity provided by Owner pursuant to the Over-Leasing Agreement.
- B. The terms of this Article VII shall survive the expiration or termination of this Agreement.

ARTICLE VIII.

Notices

Any and all notices, consents or directives by either party intended for the other shall be in writing sent by hand delivery or reputable overnight courier service to the respective addresses first herein set forth in this Agreement, with copies sent to Vornado Realty Trust, 210 Route 4 East, Paramus, New Jersey 07652, Attention: Chief Financial Officer, unless either party shall have designated different addresses by serving written notices of change of addresses on the other party by registered or certified mail, return receipt requested.

ARTICLE IX.

Recourse Limitation

A. Sub-Agent shall use every reasonable means to assure that all persons having dealings with Sub-Agent shall be informed that no director, trustee, shareholder, officer or agent of Sub-Agent, Agent or Owner shall be held to any personal liability, nor shall resort be had to their private property for the satisfaction of any obligation or claim or otherwise in connection with the affairs of Agent, but the trust estate only shall be liable.

ARTICLE X.

Miscellaneous

- A. This Agreement cannot be changed or modified, varied or altered except by an agreement, in writing, executed by each of the parties hereto. This Agreement constitutes all of the understandings and agreements of whatsoever kind or nature existing between the parties in connection with the relationship created herein.
- B. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.
- C. Neither Agent nor Sub-Agent shall make (and each hereby waives) any claim against the other party's directors, trustees, beneficiaries or shareholders personally.

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

SUB-AGENT:

VORNADO REALTY L.P., a Delaware limited partnership

By: Vornado Realty Trust, its general partner

By: /s/ Alan J. Rice
Name: Alan J. Rice
Title: Senior Vice President

AGENT:

ALEXANDER'S MANAGEMENT, LLC, a New York limited liability company

By: ALEXANDER'S INC., a Delaware corporation, its sole member

By: /s/ Alan J. Rice
Name: Alan J. Rice
Title: Secretary

EXHIBIT A
OVER-LEASING AGREEMENT

See attached copy.

A - 1

REAL ESTATE
RETENTION AGREEMENT

By this Real Estate Retention Agreement, dated as of February 28, 2014 (this "Retention Agreement"), ALEXANDER'S MANAGEMENT LLC, a New York limited liability company having an office c/o Alexander's, Inc., 210 Route 4 East, Paramus, New Jersey 07652 ("Agent") agrees to act as special real estate consultant to 731 OFFICE ONE LLC, a Delaware limited liability company having an office c/o Alexander's, Inc., 210 Route 4 East, Paramus, New Jersey 07652 ("Owner"), with respect to the leasing and disposition of Owner's real property, as well as the sale of Owner's right, title and interest in the fixtures and improvements thereat (which is disposed of with the real property), including, without limitation, the office condominium units more specifically described in the attached Schedule A (the "Asset(s)"), and the compensation Agent expects to receive.

WHEREAS, Owner was party to that certain 59th Street Real Estate Retention Agreement, dated as of July 3, 2002, by and among Vornado Realty L.P., 731 Residential LLC and 731 Commercial LLC, which is the predecessor owner of the Assets, as the same was amended by that certain Letter Agreement Relating to 59th Street Real Estate Retention Agreement, dated as of July 6, 2005, by and among 731 Commercial LLC, 731 Retail One LLC and Vornado Realty L.P. and that certain Amendment to 59th Street Real Estate Retention Agreement, dated as of January 1, 2007, by and among 731 Retail One LLC, 731 Restaurant LLC, Owner, 731 Office Two LLC and Vornado Realty L.P. (as so amended, the "Original Agreement"); and

WHEREAS, pursuant to that certain Termination Agreement, dated as of the date hereof, each of the parties to the Original Agreement agreed that the Original Agreement would be terminated with respect to Owner and that Owner would no longer have any obligations under the Original Agreement, provided that Owner and Agent enter into this Retention Agreement and Agent and Vornado Realty L.P. enter into that certain Sub-Retention Agreement being entered into concurrently herewith.

NOW, THEREFORE, the parties hereto hereby agree as follows:

I. SUMMARY OF MARKETING SERVICES

Agent will provide those services that are reasonably necessary to market the Assets, as contemplated by this Retention Agreement. Such services may include, but are not necessarily limited to, those generally described below:

1. Inspecting the Assets to determine their physical condition.
 2. Creating a marketing program which may include newspapers, magazine or journal advertising, flyer solicitation and placement of signs, as appropriate. Preparing and disseminating all such marketing materials, all of which shall be approved by Owner and shall be at the sole cost and expense of Owner.
 3. Communicating with parties who have expressed an interest in the Assets and responding and providing information to, negotiating with, and soliciting offers from,
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prospective purchasers, including landlords, and making recommendations to Owner as to the advisability of accepting particular offers and settlements.

4. Arranging for physical inspections of the Assets by prospective purchasers.

5. When requested, meeting periodically with Owner, their accountants and attorneys, in connection with the status of Owner's efforts and recommending to Owner and its counsel the proper method of handling the particular problems encountered with respect to the disposition of the Assets.

6. If required, appearing in Court during the term of this retention, to testify or to consult with Owners in connection with the marketing or disposition of the Assets.

II. **BASIS OF RETENTION AND COMPENSATION**

Agent will actively and diligently discharge its obligations under this Agreement. Agent shall be retained by Owner for the purpose of performing the services outlined above, upon the following terms and conditions:

A. Exclusive Right:

1. Agent shall have the sole and exclusive authority to offer each Asset for disposition and the "exclusive right to sell" and "exclusive right to lease" each Asset. All communications and inquiries regarding any Asset, whether directed to Owner (including but not limited to their officers, agents and employees), or Owners' counsel, accountants, or other professionals, shall be redirected to Agent.

2. Owner shall retain the complete discretion and authority to accept or reject any offer. Owner shall not have any liability whatsoever to Agent for exercising its discretion with respect to the acceptance or rejection of any offer.

B. Term: The term of Agent's retention shall be from the date hereof and shall continue for one (1) year hereafter, and, thereafter, shall automatically renew on a year-to-year basis, terminable by either party at the end of each year on not less than sixty (60) days' prior notice.

C. Fee: Agent's fee shall be computed and paid as follows:

(a) When Owner disposes of an Asset, whether individually or as part of a package or as part of the disposition of Owner's business or a portion thereof, or as part of a plan of reorganization, by sale, assignment, lease, sublet or otherwise to a third party, or by assignment of a leasehold to the landlord or by termination of a leasehold for which Owner receives consideration (any of the foregoing, an "Asset Transaction"); or if in lieu of a disposition of the Assets, one or more third parties acquires control of Owner by merger, outright purchase, or otherwise in one or multiple transactions (any of the foregoing, an "In Lieu Asset Transaction"); then, (i) if the Gross Proceeds from the Asset Transaction or In Lieu Asset Transaction, as the case may be, exceed \$50,000,000, Owner shall pay an amount equal to one

percent (1%) of the Gross Proceeds from the Asset Transaction or In Lieu Asset Transaction, as the case may be, and (ii) if the Gross Proceeds from the Asset Transaction or In Lieu Asset Transaction, as the case may be, are equal to or less than \$50,000,000, Owner shall pay an amount equal to three (3%) of the Gross Proceeds from the Asset Transaction or In Lieu Asset Transaction, as the case may be, except in the event of a lease or sublease, in which event Owner shall pay an amount equal to:

- (i) three (3%) percent of the total base rent Gross Proceeds payable during the first ten (10) years of the term, plus
- (ii) two (2%) percent of the total base rent Gross Proceeds payable during the eleventh (11th) through the twentieth (20th) years of the term, plus
- (iii) one (1%) percent of the total base rent Gross Proceeds payable during the balance of the term, but in no event to exceed the thirtieth (30) year;

(In the event of a month-to-month tenancy, the fee shall be 50% of the first month's base rental, payable in four (4) equal monthly installments, but only for so long as such tenancy shall continue. Additional fees shall only become earned and payable (i) upon a tenant's exercise of Option(s) or Rights(s) of First Refusal, to Renew, Extend Lease or Occupy Additional Space or (ii) upon a month-to-month tenant entering into a new lease or sublease of an Asset.)

(b) Agent's fee will be paid in full simultaneously with the closing, sale, assignment or other consummation of the transaction.

(c) In the event that Owner leases or subleases an Asset and the transferee, or any agent, officer, employee, or shareholder of the transferee, acquires fee-simple title to such property within five years, (i) if the Gross Proceeds from the acquisition exceed \$50,000,000, Owner shall pay an amount equal to one percent (1%) of the Gross Proceeds from the acquisition, and (ii) if the Gross Proceeds from the acquisition are equal to or less than \$50,000,000, Owner shall pay an amount equal to three (3%) of the Gross Proceeds from the acquisition payable in the same manner as described above; provided, however, that there shall be a credit against such subsequent fee in the amount of fees previously paid relating to that portion of the lease or sublease term which is cancelled by reason of such sale. In no event shall such credit exceed the amount of the latter fee.

(d) If an Asset for which a fee is payable hereunder contains (i) an option(s) or right(s) of first refusal to renew or extend, and a lease term(s) is renewed or extended whether strictly in accordance with the terms of such option(s) or right(s) or otherwise and/or (ii) an option(s) or right(s) of first refusal to expand, and a tenant occupies additional space whether strictly in accordance with the terms of such option(s) or right(s) or otherwise, with respect to space owned by, or leased to, the Owner, then Owner shall pay a leasing fee in accordance with the provisions of this agreement on the additional base rental to be paid, except that in the case of renewal or extension, the fee shall be calculated at the rate applicable hereunder as if such renewal or extension period were included in the initial term of the lease, and in the case of the tenant occupying additional space, the fee shall be calculated at the rate applicable hereunder as

if such expansion were a new lease. Such fee shall be earned and payable at the time the extended term commences or the additional space is occupied, as applicable.

(e) If a lease for which a fee is payable hereunder contains, as a primary component of the consideration to be paid by a tenant for the rent thereunder, a percentage rent clause, Owner shall pay a fee on the percentage rent payable by the tenant at the commission rate applicable to the period of the lease term for which the percentage rent is payable. Subject to paragraph II.C.1 of this Retention Agreement, the fee shall be payable within fifteen days after the tenant's final payment and accounting of percentage rent for the preceding lease year.

(f) In any transaction whereby Owner leases or subleases an Asset, Agent shall have the right to receive all formal notifications required pursuant to the lease to the extent that any such notice may affect the rights of Agent hereunder or the timing or payment of any fees due hereunder. In furtherance of such rights, Owner shall insert within the terms of such lease or sublease a separate paragraph that states Agent's right to notice, right to a fee as described in the above subparagraphs and Agent's address and phone number shall be included in the "notice" provision of such lease or sublease.

(g) In the event that a party other than Agent is a procuring broker who is entitled to a fee, in the event of a lease or sublease, the three-two-one (3-2-1) schedule set forth in paragraphs II.C.1(a)(i), (ii) and (iii) above shall be increased to four-three-two (4-3-2) and Agent shall pay the fee of the procuring broker. With respect to any sale, assignment or In Lieu Asset Transaction, the fees payable by Owner shall not be increased, and Agent shall pay any third party procuring broker's fee out of Agent's fee payable pursuant to this Retention Agreement. For any given transaction, Owner shall be responsible for the payment of only one fee in the amounts set forth herein.

(h) The term "base rent" means the base rent set forth in any lease and shall not include any additional rent, whether for utilities, taxes or otherwise, and which is ordinarily not a component of base rent, which may be payable under such lease.

(i) Without duplication of any amounts payable hereunder, Owner acknowledges and agrees that Agent shall be entitled to collect any compensation that would have otherwise been due and payable to Vornado Realty L.P. under the Original Agreement with respect to the leases and subleases of the Assets in effect as of the date hereof.

1. The term "Gross Proceeds" as used herein shall include the sum of:

(a) the total cash consideration transferred to or for the benefit of Owner; plus

(b) the balance, if any, of any outstanding mortgage(s) to be transferred to or assumed by the transferee; plus

(c) any deferred payment obligation granted by Owner to the transferee; plus

(d) the value of any waiver, relinquishment, transfer or assignment of any lien, and/or the value of any deposit, claim, or rights through which consideration is given whereby Owner shall receive compensation or a credit for payment; plus

(e) in the case of an Acquisition Transaction, "Gross Proceeds" shall be the value of the consideration to be received by Owner, its creditors or its stockholders.

2. Except as provided in paragraph II.C.1.(b), the computation of Gross Proceeds as well as the computation of fees hereunder shall not be affected by the costs of advertising, Owners' legal fees, break-up fees, Agent's expenses nor any closing costs and/or adjustments, including but not limited to adjustments and/or payments of whatever kind to landlords, lienholders, secured parties, mortgages or offerors.

D. Expenses and Disbursements:

1. Agent will not be responsible for any legal expenses incurred by Owner in connection with its retention of Agent, the disposition of the Assets and the preparation of legal motions and documents, including but not limited to the costs of preparing contracts and assignments as well as the costs of attending hearings and closing, among other things.

2. All advertising, marketing, and other third party expenses shall be borne by Owner. Agent will prepare a marketing budget and, upon the retention of Agent and the approval of the budget by Owner, Owner agrees to pay all such costs and expenses to Agent immediately upon the proper presentation of invoices. Agent shall be under no obligation to incur such expenses until such time as Agent receives funds from Owner.

3. In the event Owner fails or is unable to pay the expenses as above described or such additional expenses as Owner may approve, and Agent shall have given Owner prior written notice of its intention to resign and the reason therefor and Owner shall not have cured such failure within fifteen (15) days after receipt of such notice by Owner, Agent shall have the right to so resign, individually, and pursue any claims that Agent might have.

E. Survival:

1. In the event Owner and any third party should enter into an agreement providing for the sale, assignment, lease or other disposition of an Asset, or providing for an Acquisition Transaction, before the expiration of this Retention Agreement, and the closing does not occur until after such expiration, then Agent shall be entitled to a fee in accordance with the terms of this Retention Agreement. If Owner, after the expiration of this Retention Agreement, arranges for the sale, assignment, lease or other disposition of an Asset, or arranges for an Acquisition Transaction of an Asset to a third party where Agent substantially contributed to the consummation of such sale, assignment, lease or other disposition of an Asset or Acquisition Transaction during the term of this Retention Agreement, or with whom Owner signed a letter of intent for such transaction during the term of this Retention Agreement and, in any such event, the contract signing or closing takes place within six (6) months after such expiration, then Agent shall be entitled to a fee in accordance with the terms of this Retention Agreement. Within thirty (30) days after the termination or expiration of this Retention Agreement, Agent will furnish Owner with a list of the parties with whom a transaction with respect to the Assets would, in

Agent's view, give rise to a claim for a fee by Agent under this paragraph. The receipt of such a list by Owner shall not be construed as consent by Owner to the names contained thereon.

2. Agent's rights to fees from the future potential exercise by a tenant of option(s) or right(s) of first refusal, to renew, to extend the lease, and/or to occupy additional space, shall survive this Retention Agreement.

F. Owner Responsibilities: Owner shall inform Agent in writing immediately after Owner shall become aware, after the execution and delivery of this Retention Agreement, of any known or suspected risk of environmental hazard or contamination or of the receipt by Owner of a citation for the violation of any federal, state or local environmental law or regulation. Owner shall have the continuing obligation to advise Agent in writing as soon as it becomes aware of any inaccuracy, inconsistency, incompleteness or change of circumstances and to correct any environmental report with respect to the Assets. Owner will use its best efforts to deliver to Agent all environmental reports in its possession. Additionally, Owner will provide, promptly upon receipt thereof, a copy of any environmental reports prepared after the date hereof to Agent and will authorize Agent to disseminate such report to prospects. Agent shall be the only entity entitled to rely on the covenants contained in this paragraph. Any damages for a breach or violation of the covenants contained in this paragraph shall be limited to Agent's out-of-pocket expenses incurred in reliance on the covenants contained in this paragraph less any fees earned from the transaction related to the expenditure of such expenses.

G. General Provisions:

1. Agent hereby indemnifies Owner for all costs, expenses, damages, losses, obligations and liabilities that may arise from the claim by a third party with whom Agent dealt in connection with the disposition of any Asset that such third party is entitled to a fee, broker's commission or any other payment arising from the disposition of such Asset. The indemnity provided for in this paragraph shall be limited to the fees earned by Agent from the disposition of the Asset or Assets giving rise to the claim.

2. The parties hereto, on behalf of themselves and their respective officers, directors, agents and employees, agree to deal with each other fairly and in good faith so as to allow each party to perform its services and obligations and to receive the anticipated benefits of this Retention Agreement. No party shall interfere, prevent or prohibit another party from carrying out its duties and obligations under this Retention Agreement.

3. By executing or otherwise accepting this Retention Agreement, the parties hereto each acknowledge and represent that they are represented by and have consulted with legal counsel with respect to the terms and conditions contained herein.

4. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS RETENTION AGREEMENT.

5. This Retention Agreement may be executed in original counterparts.
6. This Retention Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

[Signature Page Follows]

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IN WITNESS WHEREOF, the undersigned has executed this Retention Agreement as of the day and year first above written.

PRINCIPAL:

731 OFFICE ONE LLC, a Delaware limited liability company

By: 731 OFFICE ONE HOLDING LLC, a Delaware limited liability company, its sole member

By: ALEXANDER'S INC., a Delaware corporation, its sole member

By: /s/ Alan J. Rice
Name: Alan J. Rice
Title: Secretary

AGENT:

ALEXANDER'S MANAGEMENT LLC, a New York limited liability company

By: ALEXANDER'S INC., a Delaware corporation, its sole member

By: /s/ Alan J. Rice
Name: Alan J. Rice
Title: Secretary

Schedule A

Schedule of Assets
Real Estate Retention Agreement

The Condominium Unit (in the Building located at and know as Beacon Court Condominium and by Street Number 151 East 58 th Street, New York), designated and described as Office Unit 1 and Office Unit 2 (hereinafter called the "Units") in the Declaration (hereinafter called "Declaration") made by the Sponsor under the Condominium Act of The State of New York (Article 9-b of the Real Property Law of the State of New York), dated 12/4/2003 and recorded 2/3/2004 in the Office of the Register The City of New York, Count of New York, as CRFN 2004000064392, as amended and restated by Amended and Restated Declaration dated 2/8/2005, recorded 3/9/2005 in CRFN 2005000139245, establishing a plan for Condominium ownership of said Building and the land upon which the same is erected (hereinafter sometimes collectively called the "Property") and also designated and described as Tax Lots No. 1002 and 1003, respectively, Block 1313 Section 5, Borough of Manhattan on the Tax Map of the Real property assessment department of the City of New York and on the floor plans of said Building certified by Peter Claman, Registered Architect on 1/30/2004 and files as Condominium Plan No. 1350 on 2/3/2004 in the aforesaid Register's Office in CRFN 2004000064383, amended Floor Plans filed as Condominium Plan No. 1350-A on 3/9/2005 in CRFN 2005000139246.

**SIXTH AMENDMENT TO AMENDED AND RESTATED MANAGEMENT AND
DEVELOPMENT AGREEMENT**

THIS SIXTH AMENDMENT TO AMENDED AND RESTATED MANAGEMENT AND DEVELOPMENT AGREEMENT (this "Amendment") is made as of the 21st day of March, 2014, by and among ALEXANDER'S, INC., a Delaware corporation, on behalf of itself and each of the subsidiaries listed in Exhibit B attached hereto ("Alexander's"), having an address at 210 Route 4 East, Paramus, New Jersey 07652, (sometimes hereinafter referred to as "Owner"), and VORNADO MANAGEMENT CORP., a New Jersey corporation, having an office at 210 Route 4 East, Paramus, New Jersey 07652 ("Manager").

RECITALS

A. **WHEREAS**, Alexander's and Manager have heretofore entered into that certain Amended and Restated Management and Development Agreement, dated July 3, 2002, as amended by First Amendment to Amended and Restated Management and Development Agreement dated as of July 6, 2005, Second Amendment to Amended and Restated Management and Development Agreement dated as of December 20, 2007, Third Amendment to Amended and Restated Management and Development Agreement dated as of November 30, 2011, Fourth Amendment to Amended and Restated Management and Development Agreement dated as of August 1, 2012 and Fifth Amendment to Amended and Restated Development Agreement dated December 1, 2012 (as so amended, the "Development Agreement").

B. **WHEREAS**, Owner and Manager desire to amend the Development Agreement.

NOW THEREFORE, in consideration of Ten Dollars (\$ 10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, Owner and Manager hereby agree as follows to the following amendments to be effective from and after January 1, 2014 (the "Effective Date"):

1 Management Fee. The first sentence of Article III, Section A is hereby amended to read as follows: "Owner shall pay Manager, as Manager's entire compensation for the services rendered hereunder in connection with the management of the Properties and the management of Owner, a management fee (the "Management Fee") equal to Two Million Three Hundred Eighty Thousand Dollars (\$2,380,000.00) per annum, payable in equal monthly installments, in arrears, in the amount of \$198,333.33 on the tenth day of each calendar month beginning with the first calendar month after the Effective Date".

2 Counterparts. This Amendment may be executed in several counterparts, each of which shall be deemed an original, and all of such counterparts together shall constitute one and the same instrument.

3 Defined Terms. All terms capitalized but not defined herein shall have the same meaning ascribed to such terms in the Development Agreement. The marginal headings and titles to the paragraphs of this Amendment are not a part of this

Amendment and shall have no effect upon the construction or interpretation of any part hereof.

4 Amendment. This Amendment is incorporated into and made a part of the Development Agreement, and the Development Agreement and all terms, conditions and provisions of the Development Agreement are ratified and confirmed in all respects and is and shall continue to be in full force and effect as modified and amended hereby.

5 Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the State of New York.

6 No Modification. This Amendment constitutes the entire understanding of the parties with respect to the subject hereof and may not be amended except in a writing executed by the parties hereto.

7 Successors and Assigns. This Amendment shall be binding upon and inure to the benefit of the parties hereto, and their successors and permitted assigns.

[signature page follows]

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

OWNER:

ALEXANDER'S, INC., a Delaware corporation

By: /s/ Steve Santora

Name: Steve Santora

Title: Assistant Secretary

MANAGER:

VORNADO MANAGEMENT CORP., a New Jersey Corporation

By: Vornado Realty L.P., as sole member

By: Vornado Realty Trust, its general partner

By: /s/ Joseph Macnow

Name: Joseph Macnow

Title: Executive Vice President and Chief
Administrative Officer

REGO PARK II RESIDENTIAL MANAGEMENT AND DEVELOPMENT AGREEMENT

THIS REGO PARK II RESIDENTIAL MANAGEMENT AND DEVELOPMENT AGREEMENT dated as of the 21st day of March, 2014 (the "Management Agreement") between ALEXANDER'S OF REGO RESIDENTIAL LLC, a Delaware limited liability company having an office c/o Vornado Realty Trust, 210 Route 4 East, Paramus, New Jersey, 07652 (the "Owner") and VORNADO MANAGEMENT CORP., a New Jersey corporation having an office at c/o Vornado Realty Trust, 210 Route 4 East, Paramus, New Jersey, 07652 ("Manager").

IN CONSIDERATION of the mutual promises and covenants herein contained. Owner and Manager agree as follow:

ARTICLE I**Appointment of Manager**

A. Owner hereby appoints Manager, on the conditions and for the term hereinafter provided, to act for it in the operation, maintenance, management and development of the property identified on Exhibit A attached hereto and made a part hereof (the "Property"), which management and development duties are more particularly described in Articles IV and V. Manager hereby accepts said appointment to the extent of, and subject to, the conditions set forth below.

ARTICLE II**Term**

The term of this Management Agreement shall commence January 1, 2014 (the "Effective Date") and shall continue until the date of Substantial Completion of the Property (the "Initial Expiration Date") unless this Management Agreement shall be terminated and the obligations of the parties hereunder shall sooner cease and terminate, as hereinafter provided; provided, however, that the term of this Management Agreement shall automatically extend for consecutive one-year periods following the Initial Expiration Date unless Manager or Owner provides the other with written notice, at least six months prior to the beginning of any such additional one-year period, of its election to terminate this Management Agreement.

ARTICLE III**Management and Development Fee**

A. Owner shall pay Manager, as Manger's entire compensation for the services rendered hereunder in connection with the management of the Property, a management fee (the "Management Fee") equal to One Hundred Twenty Thousand Dollars \$120,000.00 per annum, payable in equal monthly installments, in arrears, in the amount of \$10,000.00 on the tenth day of each calendar month beginning with the first calendar month after the Effective Date.

B. Owner shall pay Manager, as Manger's compensation for the services rendered hereunder in connection with the development of the Property, a development fee (the "Development Fee") (the Development Fee and the Management Fee are sometimes referred to herein, collectively, as the "Management and Development Fee") equal to (i) five percent (5%) of the total Development Costs (as hereinafter defined) with respect to the Property, plus (ii) general overhead and administrative expenses equal to one percent (1%) of the total Development Costs with respect to the Property. Upon Substantial completion of the property, as hereinafter defined, Owner shall pay to Manager the Development Fee.

As used herein, the following terms shall have the following meanings:

"Development Budget" shall mean, collectively, the capital budgets and development schedules setting forth the Development Costs to be incurred in connection with the Property, as prepared by Manager and approved by Owner and as more particularly described in Article V hereof.

"Development Costs" shall mean the costs incurred by Owner in accordance with the Development Budget in connection with the planning, design and construction, and development or redevelopment of the Property, including, without limitation, fees of any construction manager, general contractor or any other third-party professionals unaffiliated with Manager and costs set forth in the Development Budget that may be reimbursed by tenants at the Property for improvements outside the leased premises of those tenants. Notwithstanding the foregoing, in no event shall Development Costs include costs paid for or reimbursed by the tenants for improvements inside the leased premises of those tenants, the Development Fee, costs of the land and, with respect to loans made to Owner, interest, commitment fees and points.

"Substantial Completion" shall mean the date on which (a) all punch list items and landscaping at the Property have been completed, (b) the planning, design, construction and development of the Property have been completed, as certified by the Owner's architect, in accordance with the plans and specifications therefor approved by Owner, (c) all necessary occupancy and other permits have been obtained with respect to the work completed at the Property for which Manager has any obligation hereunder and (d) if leases are then in effect at the Property, the portions of the Property demised under the leases have been delivered for possession to the tenants thereunder in accordance with the terms thereof, the tenants have otherwise taken possession of the demised premises, or, if tenants cannot take possession due to Owner's obligation to perform tenant improvement work, tenant improvement work has commenced thereunder.

C. Manager shall receive no commissions, fees or other compensation (other than the, Management and Development Fee) in connection with any leasing or sale of any part of or the entire Property or the procuring of any financing or refinancing with respect thereto; provided, however, that nothing contained herein shall in any way restrict the commissions, fees and other compensation otherwise payable to any affiliate of Manager by Owner pursuant to a leasing agreement, which hereinafter may be executed.

D. In the event that Manager desires to provide services not required to be performed hereunder (“Additional Services”) for the benefit of a tenant of the Property, Manager shall notify Owner in advance of its intention to provide Additional Services to a tenant or tenants where those services are substantial in nature. Owner shall have the right to prohibit Manager from undertaking such services, if, in its judgment, the performance by Manager of the Additional Services would adversely affect the professional relationship and duties of Manager created by this Management Agreement.

ARTICLE IV

Management Services

A. Manager agrees to operate and manage the Property and to perform or cause to be performed by outside contractors and under Manager’s supervision, the following functions on behalf of Owner in an efficient and diligent manner using the same standard of care, including bidding and selection processes, segregation of funds, internal controls and internal auditing, used by Vornado Realty Trust in connection with its business and in connection with properties owned and/or managed by Vornado Realty Trust:

1. Preparing, or causing to be prepared at Owner’s expense, and filing all income, franchise and other tax returns relating to the Property required to be filed by Owner.

2. Keeping true and complete books of account in which shall be entered fully and accurately each transaction of Owner’s business relating to the Property. The books shall be kept in accordance with the accrual method of accounting, and shall reflect all transactions of Owner’s business relating to the Property.

3. Except as otherwise provided hereunder, procuring, at Owner’s expense and at the direction of Owner or the Owner’s insurance brokers or insurance advisors, any insurance required or desirable in connection with Owner’s business relating to the Property or the employees required to operate Owner’s business relating to the Property and errors and omissions insurance for Manager, under which Owner shall be the sole beneficiary. Manager shall not settle any claim for a settlement amount in excess of \$100,000 without the approval of Owner.

4. Providing all general bookkeeping and accounting services required by the provisions of this Agreement at the expense of Manager. Any independent certified public accountant engaged by Manager shall be subject to the approval of Owner and all fees and expenses payable to such accountant shall be at Owner’s expense. Manager shall maintain separate books and records in connection with its management of the Property under this Management Agreement, which books and records shall be kept in accordance with generally accepted accounting principles. Owner shall have the right to examine or audit the

books and records at reasonable times and Manager will cooperate with Owner in connection with any such audit.

5. Investing funds not otherwise required to pay the costs of day-to-day maintenance and operation of the Property or in the operation of Owner's business pursuant to guidelines set by Owner.

6. Repairing, making replacements and maintaining the Property and all common areas at the Property and purchasing all materials and supplies that Manager deems necessary to repair and operate and maintain the Property, in order that the Property shall remain in good, sound and clean condition, and making such improvements, construction, changes and additions to the Property (including capital improvements), as Manager deems advisable, provided that Manager shall receive approval of Owner prior to undertaking any improvements, construction, changes or additions to the Property. Owner shall pay all fees, costs and expenses incurred by Manager in connection with the retention of outside contractors and suppliers for the performance of all repairs, replacements and maintenance of the Property in the event that Owner decides to remodel or extensively refurbish the Property, or any part thereof. Manager shall be entitled to receive additional compensation for services required to be rendered by it for services such as supervision of construction and allocation of overhead expense (i) to the extent that tenants at the Property reimburse Owner for such costs and (ii) if such costs are not reimbursable by the tenants and such remodeling or refurbishment shall be on a significant scale and shall require significant work by the Manager, the amount of such additional compensation payable to Manager shall be equal to Manager's costs in connection with such work, plus twenty percent (20%) of Manager's costs.

7. Negotiating and executing contracts for the furnishing to the Property of all services and utilities, including electricity, gas, water, steam, telephone, cleaning, security, vermin extermination, elevator, escalator and boiler maintenance and any other utilities or services, including repairs and maintenance of the buildings, other improvements and common areas at the Property, or such of them as Manager deems advisable to assure that the Property shall be caused to be and remain in a good, sound and clean condition and properly operating. All fees, costs and expenses under the contracts shall be paid by Owner.

8. Subject to the terms of any loan or credit agreement entered into by Owner with a lender and affecting the Property, demanding, receiving and collecting all rents, income and other revenues, which Manager shall deposit in a bank account or accounts of Owner maintained by Manager (with any interest thereon for the account of Owner) for the deposit of monies in regard to the Property; disbursing, deducting and paying from such rents, income and revenues, such amounts required to be disbursed or paid in connection with the repair, maintenance and operation of the Property and in the carrying out of Manager's duties. In the event that Manager shall determine that funds in the accounts are insufficient to make necessary disbursements or payments, Manager shall notify

Owner promptly of the amount of such in sufficiency. Promptly after (i) Owner receives such notice, or (ii) Owner independently determines that such funds are insufficient, Owner shall determine and notify Manager as to the order of priority in which disbursements and payments shall be made. Disbursements or payments shall include, but not be limited to, the following items:

- a. all assessments and charges of every kind imposed by any governmental authority having jurisdiction (including real estate taxes, assessments, sewer rents and/or water charges) and, interest and penalties thereon; provided, however, that the interest or penalty payments shall be reimbursed by Manager to Owner if imposed by reason of delay in payment caused by Manager's gross negligence, willful misconduct, bad faith or material misapplication of funds (to the extent such material misapplication of funds is not covered by insurance) (collectively, "Malfeasance");
- b. debt service on any loans secured by the Property;
- c. license fees, permit fees, insurance appraisal fees, fines, penalties, legal fees, accounting fees incurred in the auditing of tenants' books and records to establish and collect coverage or percentage rents, and all similar fees reasonably incurred in connection with the ownership, management or operation of the Property, provided, however, that any fines or penalties shall be reimbursed to Owner by Manager if imposed by reason of delay in payment caused by Manager's Malfeasance;
- d. premiums on all policies of insurance;
- e. salaries, wages and other related expenses, bonuses and fringe benefits for on-site personnel, service contracts, utilities, repairs, replacements, on-site administration expenses and Manager's compensation;
- f. the Management and Development Fee and any other sums payable hereunder to Manager;
- g. contributions to merchants associations, if and as required by any outstanding agreements; and advertisement and public relations costs for promotional activities; and
- h. any and all other expenses or costs that are customarily disbursed by managing agents of properties comparable to the Property or that are required in order for Manager to perform its duties.

In no event shall Manager be required to pay any bills or charges from its own funds, except as otherwise specifically provided herein.

9. Engaging, at the expense of Owner, any outside collection agency Manager deems appropriate for the collection of rent or other revenues or instituting, in Manager's name (but only if Manager so elects) or in the name of Owner, but in any event at the expense of Owner, any and all legal actions or proceedings to collect rent or other income from the Property or to oust or dispossess tenants or other persons therefrom, or cancelling or terminating any lease or the breach thereof or default thereunder by the tenant, and holding all security deposits posted by tenants and occupants and applying the same against defaults by the tenant or occupant. Manager shall hold all security deposits in a separate account if required by law or if requested by Owner. Manager shall not terminate any lease or evict the tenant thereunder without the prior approval of Owner.

10. Rendering such statements at such times and in such formats as Owner shall reasonably request and as shall be customary for properties comparable to the Property, including, without limitation, monthly cash flows, quarterly reports and operating statements and annual budgets as provided below.

11. Maintaining, at Manager's expense, insurance with reasonable deductibles, if any, for any and all claims or causes of action arising from bodily injury, disease or death of any of Manager's employees, agents, or representatives and for any and all claims or causes of action arising from Manager's negligence, infidelity or wrongful acts in connection with the performance of this Agreement, as well as employer's liability and worker's compensation for Managers employees and fidelity bonds for employees of Manager that handle funds and proceeds from the Property, in each case at customary levels of coverage.

12. Causing, at Owner's expense, all such acts and things to be done in or about the Property as shall be necessary to comply with all statutes, ordinances, laws, rules, regulations, orders and determinations, ordinary or extraordinary, foreseen or unforeseen of every kind or nature affecting or issued in connection with the Property by any governmental authority having jurisdiction thereof, as well as with all such orders and requirements of the Board of Fire Underwriters, Fire Insurance Exchange, or any other body that may hereafter exercise similar functions (collectively, "Applicable Laws"). In the event that Manager's good faith estimate of the cost of complying with any Applicable Laws shall exceed \$100,000 in connection with the Property, Manager shall not take any action to comply with Applicable Laws without first obtaining the consent of Owner. Notwithstanding the foregoing, however, Owner shall have no obligation to pay for the expenses incurred in connection with compliance with Applicable Laws to the extent such costs are incurred due to Managers Malfeasance or material breach of this Management Agreement. Manager shall have the right to contest such Applicable Laws, and pending the final determination of the contest, Manager may withhold compliance, provided that Manager shall receive Owner's prior consent to so withhold compliance. Manager agrees to contest any Applicable Law Owner shall request Manager to contest.

13. Filing applications, in Manager's name (but only if Manager so elects) or in the name of Owner, but in any event at Owner's expense for the reduction of real estate tax assessments and/or water charges and sewer rents, and/or for the cancellation or reduction of any other taxes, assessments, duties, imposts or other obligations of any nature imposed by law; and instituting any and all legal actions or proceedings in connection therewith; filing, settling, trying or appealing of all such applications and/or proceedings, upon such terms and conditions as Manager deems appropriate, provided, however, that Manager shall receive the consent of Owner prior to the institution or setting of any legal action or proceeding.

14. Taking, at Owner's expense and with the prior consent of Owner, any appropriate steps to protest and/or litigate to final decision in any appropriate court or forum any violation, order, rule or regulation affecting the Property.

15. Engaging, at Owner's expense, counsel, approved by Owner, and paying counsel fees and court costs and disbursements in connection with any proceedings involving the Property.

16. Assisting Owner in obtaining financing for the Property and causing Owner to comply, or complying on behalf of Owner, at Owner's expense, with all terms, conditions and obligations of any lease, mortgage, credit agreement, reimbursement agreement, development agreement, construction agreement, or any other agreement that shall relate to any matters in connection with the rental, operation or management of the Property, unless prevented or delayed by strikes, riot, civil commotion, war, inability to obtain materials because of governmental restrictions or acts of God or public enemy, or any other cause beyond Manager's control.

17. Performing administrative services required in connection with managing the Property, including, without limitation, the following:

- a. administration of tenants' insurance and enforcement of continuing coverage in accordance with the terms of the leases.
- b. confirmation of lease commencement dates and termination dates.
- c. liaison with the tenants as Owner's representative.
- d. supervision of tenant litigation in conjunction with Owner's legal counsel.
- e. obtaining sales volume reports from tenants and calculating and collecting percentage rents as a result of those reports.

- f. providing necessary information to Owner for tax reporting, in a format reasonably approved by Owner and upon Owner's request, initiating together with Owner's counsel, property tax appeals.
- g. providing quarterly financial statements, in a format reasonably approved by Owner, reflecting in reasonable detail the operating income and expense of the Property.
- h. alerting Owner if tenant sales volume reports appear inaccurate and recommend audits.
- i. reporting and making recommendations regarding unusual tenant problems requiring Owner's approval.
- j. obtaining contractors to maintain, operate and provide security for the Property.
- k. coordinating with any consultants retained by Owner in connection with the Property.

18. Preventing the use of the Property for any purpose that would void any insurance policy covering the Property, or that would render any loss thereunder uncollectible, or that would be in violation of any governmental restriction, any tenant lease or any reciprocal easement agreement.

B. Owner shall be responsible for, and shall indemnify Manager against, all costs incurred in connection with the operation and management and development of the Property, except to the extent such costs are incurred in connection with Managers Malfeasance or material breach of this Management Agreement, and all past, present and future liabilities of Owner, including, without limitation:

- 1. all outside professional fees, including reasonable attorneys, accountants and architects;
 - 2. taxes;
 - 3. insurance (other than workers' compensation insurance for Manager's employees and as otherwise provided herein), including retiree health liability insurance and directors' and officers' liability insurance;
 - 4. fees and expenses applicable to Owner;
 - 5. costs that are, at the discretion of Owner, for services not included in this Management Agreement, including, without limitation, salaries and other expenses of employees (other than employees of Manager) performing services for Owner in connection with the operation and management and development of the Property.
-

ARTICLE V

Development

Manager agrees to design and plan the development of the Property and to manage the construction and development of the Property and to perform, or cause to be performed by outside contractors, the following functions on behalf of Owner in an efficient and diligent manner using the same standard of care, including bidding and selection processes, used by Vornado Realty Trust in connection with properties owned and managed by Vornado Realty Trust:

1. Obtaining or assisting Owner in obtaining, on behalf of Owner and at Owner's expense, all required building permits and other governmental approvals or consents, along with any zoning variances or other zoning approval, necessary to initiate the development of the Property.
2. Retaining at Owner's expense, all architects, engineers, contractors, construction managers and consultants (collectively "Consultants") necessary or desirable in completing the design and planning of the development of the Property and negotiating, on behalf of Owner, any contracts with Consultants.
3. Monitoring and coordinating the activities of the Consultants retained for the planning and design of the Property.
4. Assisting and cooperating with Owner in all aspects of arranging or acquiring any construction or other financing required for the Property, including, without limitation, meeting with and furnishing information to prospective lenders.
5. Preparing and filing, or causing the preparation and filing at the expense of Owner of, all returns (other than income, franchise and other similar returns), statements, declarations and filings that may from time to time be required of Owner in connection with the planning, design and development of the Development Property by any municipal, state, federal or other governmental or statutory authority having jurisdiction over the development of the Development Property.
6. Preparing an initial budget as soon as practicable, but in any event prior to the commencement of any construction at the Property (including, without limitation, an estimate of the timing of the incurrence of expenditures contained in the budget) and make any revisions or adjustments necessary to acquire approval of Owner for such budget, the approved budget for the Property being herein called the "Development Budget". Manager shall recommend any revision to the Development Budget that Manager from time to time may deem appropriate, or as Owner may reasonably request, in each case to be approved by Owner, provided, however, that Manager's obligation to seek Owner approval of

change orders shall be limited to change orders exceeding, in the aggregate, ten percent (10%) of the applicable line item in the initial Development Budget. The approval by Owner of the Development Budget and any revisions thereto shall also constitute authorization by Owner of the expenditures and commitments provided for therein and, subject to the other provisions of this Management Agreement, Manager then shall be entitled to act for Owner in incurring the expenditures and making commitments to the extent provided for in the approved initial or revised Development Budget, as applicable.

7. Recommending, for Owner's approval, such Consultants as may be necessary or desirable for the development of the Property and negotiating on behalf of Owner any contracts and agreements as are necessary or desirable in connection with the development of the Property with such Consultants approved by Owner and supervising the performance by such Consultants thereunder, including, without limitation, the supervision and processing of change requests and change orders.

8. Monitoring and coordinating the activities of the Consultants and, where appropriate, assisting Owner in performing Owner's obligations under the contracts with Consultants.

9. Supervising the collection and review of all documentation required to be submitted to any construction lender or other lender in connection with the development of the Property and supervising all disbursements made pursuant to any financing.

10. Supervising the ordering and installation of equipment or other supplies necessary for the development of the Property.

11. Preparing (i) quarterly progress reports regarding the development of the Property, detailing any deviations from the Development Budget and providing explanations for such deviations, (ii) all reports required under loan agreements affecting Owner and (iii) promptly after the completion of the development of the Property, preparing a report of actual Development Costs incurred in connection with the development, separately identifying as estimated items those, if any, that cannot be finally determined at the time of the final report.

12. Providing regular and continuing accounting services, on the basis of standard accounting practices for similar projects consistently applied, of all costs and expenses incurred by Owner in connection with the development of the Property, and the receipt and use of borrowed funds or funds otherwise made available.

13. Attending meetings as reasonably required or requested by Owner.

14. Assisting Owner in obtaining and maintaining in full force and effect at all times during the term of construction at the Property all-risk builder's risk insurance (including coverage against collapse and fire) written on a progress basis and including commercial public liability insurance with incidental contract coverage, with such insurers, in such amounts and under such policies as may be reasonably satisfactory to Owner and the expense of maintaining such insurance shall be an expense of, chargeable to, or paid by Owner.

15. Generally performing such other acts and things as may be reasonably required for coordinating, monitoring, administering and supervising the full and complete planning, design construction and development of the Property.

ARTICLE VI

Annual Budget

A. On or before the beginning of each calendar year, Manager shall prepare and submit to Owner a proposed budget (hereinafter referred to as the "Proposed Budget") of the estimated operating and capital expenses of the Property for the next fiscal year or such other operating period as may be agreed to by the parties.

B. Owner shall have the right to approve or disapprove the Proposed Budget. The final budget for the fiscal year is referred to as the "Approved Budget" in this Management Agreement. The "Approved Budget" shall be subject to quarterly comparisons and revisions, which revisions the Manager and Owner mutually shall agree to be appropriate all such revisions as approved by Owner shall be considered part of the "Approved Budget". Manager shall make expenditures without the specific approval of Owner if:

1. The expenditure (or group of related expenditures) has been generally identified in an Approved Budget line item and exceeds the amount shown in respect thereof in such budget line item by no more than ten percent (10%).

2. The expenditure (or group of related expenditures) has not been generally identified in the Approved Budget but does not exceed \$100,000.

3. The expenditure (or group of related expenditures) exceeds \$100,000 and was either not anticipated or exceeded the Approved Budget by more than ten percent, but is not discretionary.

4. The expenditure is required by a condition or situation that in Manager's professional judgment constitutes an emergency. In any case where an emergency situation exists that is of serious financial or physical consequence, Manager may act in the best interest of Owner, but Manager shall attempt to notify Owner prior to making the expenditure, but in any event, Manager shall report verbally the making of the expenditure to Owner no later than 24 hours after the occurrence of the emergency.

ARTICLE VII

Owner to Execute Documents

Owner covenants and agrees that wherever in this Management Agreement it is provided that Manager may take any action in the name of or on Owner's behalf, Owner will promptly execute any documents that may be required by Manager for the purposes of carrying out any of Manager's functions as same are set forth .

ARTICLE VIII

Assignment; Cancellation

A. Simultaneously herewith, Vornado Realty Trust has entered into a Guaranty, dated the date hereof, in favor of Owner, guaranteeing performance of the duties and obligations of Manager hereunder, and agreeing, to the extent necessary, to make available to the Specified Vornado Affiliate, as hereinafter defined, the resources of Vornado Realty Trust for the purposes of carrying out such duties and obligations, (the "Guaranty"). Neither Owner nor Manager shall assign this Agreement or any of its rights hereunder without the consent of the other party; provided, however, that Manager shall have the right to assign its rights and delegate its duties under this Agreement to any Specified Vornado Affiliate (as defined herein) without the consent of Owner, provided that, (a) in connection with any such assignment, Manager shall cause Vornado Realty Trust to deliver a ratification of the Guarantee, in form and substance reasonably satisfactory to Owner, (b) notwithstanding any such assignment to a Specified Vornado Affiliate, the indemnification of Owner by Vornado Realty Trust set forth in Article XI hereof shall remain the obligation of Vornado Realty Trust, and (c) references to the standard of care, customarily provided services and reporting standards applicable to Manager in performing its duties under this Management Agreement shall continue to be the same standard of care and reporting standards applicable to Vornado Realty Trust in connection with property owned by Vornado Realty Trust; and further provided that Owner shall have the right to collaterally assign its rights under this Management Agreement to one or more lenders providing financing with respect to the Property. For purposes of this Article VIII, "Specified Vornado Affiliate" shall mean Vornado Realty L.P. or Vornado Realty Trust or any entity which directly or indirectly controls either of them, is directly or indirectly controlled by either of them or is under direct or indirect common control with either of them.

B. In the event that there is a change of control of Vornado Realty Trust or Manager after the date of this Management Agreement, Owner shall have the right to terminate this Management Agreement if Owner shall determine that such change of control is reasonably likely to have a material adverse effect on the ability of Manager to perform its obligations under this Management Agreement. For purposes of this Article VIII, "change of control" shall mean that the aggregate interest of Interstate Properties and its partners in Vornado Realty Trust shall be less than twenty percent (20%) of the ownership interests therein.

C. In the event that all of the Property is sold or otherwise disposed of, this Management Agreement shall, from and after the date of any such sale or disposition, cease and terminate and all accrued but unpaid Management and Development Fees (i.e., accrued

Development Fees being calculated not on total Development Costs but only on the Development Costs accrued up to the date of termination) shall thereupon be due and payable. As to any sale or disposition from time to time of portions of the Property, from and after the date of any such sale or disposition, this Management Agreement shall cease to apply as to such portions of the Property and Owner and Manager hereby agree that the Management and Development Fee shall be equitably adjusted downward if appropriate to the extent required to reflect the decrease (if any) in services rendered. In the event that Owner and Manager are unable to agree on the amount of the adjustment as provided in this paragraph, then the parties hereto hereby agree that the dispute shall be submitted promptly by them to the American Arbitration Association for the City of New York for determination in accordance with its rules, and such determination shall be binding upon both parties.

- D. This Management Agreement shall be non-cancelable, except as permitted by the terms of this Management Agreement.

ARTICLE IX

Breach; Termination

A. If either party shall commit a material breach of this Management Agreement, the other party shall serve written notice upon the allegedly breaching party, and the notice shall set forth the details of such alleged breach. Owner covenants and agrees that Manager shall not be deemed to have committed a material breach of this Management Agreement unless Manager willfully violates any provision hereof, is grossly negligent in the observance or performance of any of its obligations hereunder, acts in bad faith in connection with its duties under this Management Agreement, or materially misapplies any funds received from the Property (to the extent not covered by insurance).

B. Owner shall, within thirty (30) days after its receipt of said notice, cure such breach unless it disputes the claim as set forth in Paragraph D of this Article IX. If Owner does not cure within such ten-day period, Manager shall have the right, but not the obligation, to cease providing services hereunder until the breach shall be cured. In the event that Manager shall cease providing services hereunder pursuant to this paragraph, Owner shall have the right to terminate this Management Agreement and replace Manager in which event Manager promptly shall deliver to Owner all books and records with respect to the Property that are in Manager's possession and otherwise comply with paragraph I below, and upon its receipt of any outstanding payments due to it, shall cooperate with the successor Manager to effect a smooth transition in the management and operation of the Property.

C. Manager shall, within thirty (30) days after its receipt of a notice under Paragraph A of this Article IX, cure such breach unless it disputes the claim as set forth in Paragraph D of this Article IX; or if said breach cannot be cured within said thirty (30) day period, Manager shall within said time period commence and thereafter diligently and continuously proceed with all necessary acts to cure such breach, subject to the terms of any loan documents and other material agreements affecting the Property. If Manager shall fail within said time period to cure the said breach, Owner shall have the right, by sending a second written

notice to Manager, to terminate this Management Agreement effective immediately or as of a particular date which shall be specified in said second notice.

D. If the party who receives the notice of breach shall, with in five (5) days after receipt of such notice, send the notifying party a written notice disputing the claim of material breach and demanding arbitration thereof, then the parties hereto hereby agree that the dispute shall be submitted promptly by them to the American Arbitration Association for the City of New York for determination in accordance with its rules, and such determination shall be binding upon both parties. During the pendency of said arbitration, Manager shall continue to perform all of its obligations as Manager under this Management Agreement. If it is determined that the party did commit a breach, then the breach shall be cured within ten (10) days after service of a copy of the award or determination on the breaching party; and if not so cured, this Management Agreement shall be terminated.

E. If, at any time during the term of this Management Agreement, there shall be filed against either of the parties hereto in any court, pursuant to any statute either of the United States or any state, a petition in bankruptcy or insolvency or for reorganization of or for the appointment of a receiver or trustee of all or a portion of the property of either party, and such petition is not discharged within in thirty (30) days after the filing thereof, or if either party makes an assignment for the benefit of creditors, or petitions for or enters into an arrangement, or permits this Management Agreement to be taken under any writ of execution or attachment, then in any of such events, the other party hereto shall have the right to terminate this Management Agreement by giving written notice, by certified mail, effective as of a particular date specified in said notice.

F. Manager and Owner shall each have the further right to terminate this Management Agreement or any portion or provision thereof or activity thereunder on not less than thirty (30) days' prior written notice to the other party if Manager or Owner shall determine in good faith that this Management Agreement shall or may deprive Manager or Alexander's, Inc. of any benefits appurtenant to that Party's future qualification as a REIT under all applicable laws, including, without limitation, the Internal Revenue Code of 1986, as amended from time to time (the "Code"), or continued benefits if that party is a REIT.

G. Upon full or partial termination, or expiration of this Management Agreement, all of the obligations of either party to the other shall terminate immediately except (i) Manager shall comply with the applicable provisions of Subsection I below, (ii) Owner shall pay to Manager all Management and Development Fees and expenses earned and/or due hereunder to the date of termination or expiration. Upon any termination of any portion, provision or activity of or under this Management Agreement, the provisions of the preceding sentence shall apply in respect of the terminated portion, provision or activity. Owner shall pay Manager any amount owed to Manager under this Management Agreement within 30 days after any termination of this Management Agreement.

H. Notwithstanding anything to the contrary contained elsewhere herein, in the event that the Amended and Restated Management and Development Agreement dated July 3, 2002 between Alexander's, Inc. and Vornado Realty Trust is terminated for any reason,

Owner shall have the option to terminate this Management Agreement upon written notice to Manager given at least three months prior to such termination.

I. Upon the expiration or earlier termination or partial termination of this Management Agreement with respect to the Property or any part thereof, Manager shall:

1. Deliver to Owner, or such other person or persons designated by Owner, all books and records of the Property and all funds in its possession belonging to Owner or received by Manager pursuant to this Management Agreement with respect to the Property, together with all leases and all other contracts related to the Property; provided, however, that Manager shall have the right to keep a copy of all such records: and

2. Assign, transfer or convey to Owner, or such other person or persons designated by Owner, all service contracts and personal property of Owner relating to or used in the operation or maintenance of the Property. Upon the expiration or termination of this Management Agreement, Manager shall render a full account to Owner and shall deliver to Owner a statement outlining in detail all management fees due to Manager hereunder with respect to the Property, shall cause the net amount of any funds held by Manager in connection with the Property to be delivered to Owner and shall cooperate with Owner in the transition by Owner to a replacement property manager, if applicable.

Owner shall compensate Manager for all costs and expenses incurred by Manager in good faith in connection with the transition of the management of the Property from Manager to any new manager.

ARTICLE X

No Joint Venture

It is the intent of this Management Agreement to constitute Manager as an independent contractor and as agent of Owner under any contract entered into by Manager on behalf of Owner in accordance with the terms of this Management Agreement, and this Management Agreement shall be so construed and Manager agrees at all times to act in conformity therewith. Nothing herein contained shall be deemed to have created, or be construed as having created any joint venture or partnership relationship between Owner and Manager. At all times during the performance of its duties and obligations arising hereunder, Manager shall be acting as an independent contractor.

ARTICLE XI

Indemnity

A. Owner shall, to the fullest extent permitted by applicable law, indemnify, defend and hold harmless Manager, its officers, directors, trustees, partners, agents, employees and representatives against any losses, claims, damages or liabilities to which such person may become subject in connection with any matter arising out of or in connection with this

Management Agreement, except for any loss, claim, damage or liability caused by Manager's Malfeasance. If Manager becomes involved in any capacity in any action, proceeding or investigation in connection with any matter arising out of or in connection with this Management Agreement, Owner shall reimburse Manager for Manager's legal and other expenses (including the cost of any investigation and preparation) as they are incurred in connection therewith; provided, however, that Manager shall promptly repay to Owner the amount of any such reimbursed expenses paid to it to the extent that it shall ultimately be determined that Manager, its officers, directors, trustees, partners, employees, representatives or agents were not entitled to be indemnified by Owner in connection with such action, proceeding or investigation.

B. Manager shall indemnify, defend and hold harmless Owner and each of their respective officers, directors, trustees, shareholders, partners, representatives, employees and agents from and against any and all claims, losses, damages or liabilities, to which such person may become subject and arising out of Manager's Malfeasance or the Malfeasance of any of its employees, representatives or agents in performing its or their duties under this Management Agreement, except to the extent caused by the Malfeasance of Owner or any of their respective officers, directors, trustees, shareholders, partners, representatives, employees or agents. If Owner becomes involved in any capacity in any action, proceeding or investigation in connection with any matter arising out of or in connection with this indemnity, Manager shall reimburse Owner for Owner's reasonable legal and other expenses (including the cost of any investigation and preparation) as they are incurred in connection therewith; provided, however, that Owner shall promptly repay to Manager the amount of any such reimbursed expenses paid to it to the extent that it shall ultimately be determined that Owner, its officers, directors, trustees, shareholders, partners, representatives, employees or agents were not entitled to be indemnified by Manager in connection with such action, proceeding or investigation. Notwithstanding anything contained herein, Manager's liability hereunder shall be limited (except to the extent covered by insurance) to the aggregate amount of the Management and Development Fee received by Manager as of the date such liability is determined.

C. The terms of this Article XI shall survive the expiration or termination of this Agreement.

ARTICLE XII

Notices

Any and all notices, consents or directives by either party intended for the other shall be in writing sent by hand delivery or reputable overnight courier service to the respective addresses first herein set forth in this Management Agreement, with copies sent to Vornado Realty Trust, 210 Route 4 East, Paramus, New Jersey 07652, Attention: Chief Financial Officer, and Vornado Realty Trust, 888 Seventh Avenue, New York, New York 10019, Attention: Chief Administrative Officer, unless either party shall have designated different addresses by serving written notices of change of addresses on the other party by registered or certified mail, return receipt requested.

ARTICLE XIII

Miscellaneous

A. This Management Agreement cannot be changed or modified, varied or altered except by an agreement, in writing, executed by each of the parties hereto. This Management Agreement constitutes all of the understandings and agreements of whatsoever kind or nature existing between the parties in connection with the relationship created herein.

B. This Management Agreement shall be governed by and construed in accordance with the laws of the State of New York.

C. Neither Owner nor Manager shall make (and each hereby waives) any claim against the other party's directors personally or against the other party's trustees, beneficiaries or shareholders personally. Manager shall (and is hereby authorized to) insert in all leases, documents and agreements executed by it on behalf of Owner, a provision that Manager's directors, trustees, beneficiaries or shareholders shall not be personally liable thereunder.

D. Owner shall have the right to collaterally assign this Management Agreement to a lender providing financing to Owner, and Manager agrees to execute and deliver a recognition agreement, in a commercially reasonable form, providing that (a) such lender may assume Owner's interest in this Management Agreement and (b) Manager will perform the services set forth herein for so long as such lender continues to perform the obligations of Owner hereunder. Any termination hereof by the lender other than in accordance with the terms of this Management Agreement (as opposed to in accordance with the recognition agreement) shall not relieve Owner of its obligations hereunder. In no event shall an assumption by the lender under such a recognition agreement release Owner from its obligation hereunder with respect to accrued fees or otherwise.

E. Any approval or consent required by or requested of Owner pursuant to the terms of this Management Agreement may be withheld in the sole and absolute discretion of Owner, unless otherwise expressly provided.

F. Manager and Owner hereby expressly acknowledge and agree that any third party engaged in accordance with the terms of this Management Agreement to perform any of the services contemplated hereunder shall be at Owner's expense.

G. Owner and Manager acknowledge that nothing contained in this agreement shall restrict or otherwise affect the rights of Vornado Realty Trust or any affiliate thereto in connection with any loan facility provided by Vornado Realty Trust or such affiliate to Alexander's, Inc. and/or its subsidiary.

H. Anything contained in this Management Agreement to the contrary notwithstanding, Manager's agreement to undertake the obligations set forth in this Management Agreement shall not constitute or be deemed to constitute an express or implied warranty concerning the general affairs, financial position, stockholders' equity, financial results of operations or prospects of Owner.

ARTICLE XIV

Declaration of Trust

A. Manager shall use every reasonable means to assure that all persons having dealings with Manager shall be informed that no director, trustee, shareholder, officer or agent of Manager shall be held to any personal liability, nor shall resort be had to their private property for the satisfaction of any obligation or claim or otherwise in connection with the affairs of Owner, but the trust estate only shall be liable. Manager recognizes and agrees that every agreement or other written instrument entered into by Manager on behalf of Owner shall contain a provision stating the above limitation.

B. Manager represents, warrants and agrees that neither it nor any affiliated or related person or entity (including any person or entity owning any interest in Manager) is now, or shall become during the term of this Management Agreement, a borrower of any funds advanced by Alexander's, and Manager shall advise Alexander's promptly, in writing, should such representation and warranty become untrue. Manager shall, from time to time, furnish such information as may reasonably be requested by Owner in order to facilitate Alexander's qualification as a REIT under the Code.

ARTICLE XV

Continued Qualification as a REIT

A. Manager shall make reasonable efforts not to enter into any agreement (including, without being limited to, any agreement for the furnishing of non-customary services), without the consent of Owner, with any tenant or other occupant of the Property, that would result in (A) the disqualification of Alexander's as a REIT entitled to the benefits of Section 856 et seq., of the Code, (B) the imposition of any penalty or similar tax on Alexander's (including, without being limited to, the tax imposed on the failure to meet certain income requirements under Section 857(b)(5) of the Code and the tax imposed on income from prohibited transactions under Section 857(b)(6) of the Code) or (C) any part of the rental or other consideration paid thereunder by such tenant or occupant to Alexander's, or to Manager on behalf of Alexander's, being held not to constitute either "rents from real property" or "interest on obligations secured by mortgages on real property or on interests in real property" or "interest on obligations secured by mortgages on real property or on interest in real property" or other income described in Sections 856(c)(2) and (c)(3) of the Code.

B. Owner shall cause Alexander's to make reasonable efforts to assure, by prior review of agreements to be entered into by Manager, that no such agreement contains provisions that would result in the disqualification of Alexander's as a REIT entitled to the benefits of Section 856 et. seq. of the Code, receipt by the Owner of non-qualifying income, or imposition of a penalty or similar tax (including, without being limited to, the tax imposed on the failure to meet certain income requirements under Section 857(b)(5) of the Code and tax imposed on income from prohibited transactions under Section 857(b)(6) of the Code), and specifically agrees that Manager shall be entitled to rely upon the advice of Alexander's designated counsel as to any such matter; provided, however, that, without regard to whether

such review has been performed or advice rendered, if any document or other written undertaking entered into or made by or on behalf of Owner or any constituent entity of Owner shall, in the reasonable opinion of counsel to Alexander's, contain any provision that would result in a significant risk of the disqualification of Alexander's as a REIT, receipt by Alexander's of non-qualifying income, imposition on Alexander's of any penalty or similar tax (including, without being limited to, the tax imposed on the failure to meet certain requirements under Section 857(b)(5) of the Code and the tax imposed on income from prohibited transactions under Section 857(b)(6) of the Code), all as provided for in said Section 856 et seq., then:

(i) such provision shall promptly be amended or modified, to the reasonable satisfaction of counsel to Alexander's so as to remove the risk of such result, such amendment or modification to be retroactive to the date of such document or other undertaking, or to a date approved by counsel to Alexander's; or

(ii) if a satisfactory amendment or modification cannot be agreed upon as set forth in clause (i) above, any such document or other undertaking shall be terminated by Alexander's, such termination to be retroactive to the date of such document or other undertaking, or to a date approved by counsel to Alexander's, and effective as to all terms and provisions of such document or other undertaking, except such provisions thereof as call for the making of any distribution or the payment of any compensation to any third party, for the purpose of which provisions, the termination date shall be deemed to be without retroactive effect.

C. Manager agrees that it shall cooperate with Owner in accomplishing a satisfactory amendment or modification of any such document or other undertaking, or the termination thereof, and shall, on request, execute and deliver any and all agreements and other documents reasonably required to effect such amendment or modification, or such termination. Manager shall submit any agreement proposed to be entered into by or on behalf of Owner to Owner's designated counsel for review a reasonable period of time prior to the proposed execution of such agreement.

IN WITNESS WHEREOF, the parties hereto have hereunto executed this Agreement as of the 21st day of March, 2014.

OWNER:

ALEXANDER'S OF REGO RESIDENTIAL LLC, a Delaware limited liability company

By: Alexander's, Inc., a Delaware corporation, its sole member

By: /s/ Steve Santora

Name: Steve Santora

Title: Assistant Secretary

MANAGER:

VORNADO MANAGEMENT CORP., a New Jersey corporation

By: Vornado Realty L.P., as sole member

By: Vornado Realty Trust, its general partner

By: /s/ Joseph Macnow

Name: Joseph Macnow

Title: Executive Vice President and
Chief Administrative Officer

EXHIBIT A

“Rego Park II Apartment Tower”

TAX MAP DESIGNATION:

BLOCK: 2080 LOT: 1002

CITY: New York COUNTY: Queens STATE: New York

May 5, 2014

Alexander's, Inc.
210 Route 4 East
Paramus, New Jersey 07652

We have reviewed, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the unaudited interim financial information of Alexander's, Inc. and subsidiaries for the periods ended March 31, 2014, and 2013, as indicated in our report dated May 5, 2014; because we did not perform an audit, we expressed no opinion on that information.

We are aware that our report referred to above, which is included in your Quarterly Report on Form 10-Q for the quarter ended March 31, 2014, is incorporated by reference in the following registration statements of Alexander's, Inc. and subsidiaries:

Registration Statement No. 333-151721 on Form S-8

Registration Statement No. 333-180630 on Form S-3

We also are aware that the aforementioned report, pursuant to Rule 436(c) under the Securities Act of 1933, is not considered a part of the Registration Statement prepared or certified by an accountant or a report prepared or certified by an accountant within the meaning of Sections 7 and 11 of that Act.

/s/ DELOITTE & TOUCHE LLP
Parsippany, New Jersey

CERTIFICATION

I, Steven Roth, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Alexander's, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure control and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

May 5, 2014

/s/ Steven Roth
Steven Roth

Chairman of the Board and Chief Executive Officer

CERTIFICATION

I, Joseph Macnow, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Alexander's, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure control and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

May 5, 2014

/s/ Joseph Macnow

Joseph Macnow

Executive Vice President and Chief Financial Officer

CERTIFICATION

**PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(Subsection (a) and (b) of Section 1350 of Chapter 63 of Title 18 of the United States Code)**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350 of Chapter 63 of Title 18 of the United States Code), the undersigned officer of Alexander's, Inc. (the "Company"), hereby certifies, to such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the quarter ended March 31, 2014 (the "Report") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

May 5, 2014

Name: /s/ Steven Roth
Steven Roth
Title: Chairman of the Board and
Chief Executive Officer

CERTIFICATION

**PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(Subsection (a) and (b) of Section 1350 of Chapter 63 of Title 18 of the United States Code)**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350 of Chapter 63 of Title 18 of the United States Code), the undersigned officer of Alexander's, Inc. (the "Company"), hereby certifies, to such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the quarter ended March 31, 2014 (the "Report") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

May 5, 2014

Name: /s/ Joseph Macnow
Joseph Macnow
Title: Executive Vice President and
Chief Financial Officer